Explanatory Memorandum
by the Secretary of State
on
Accounts and
Estimates (East India)

1898-99, 1901-02 to 1905-06
& 1907-08 & 1908-09

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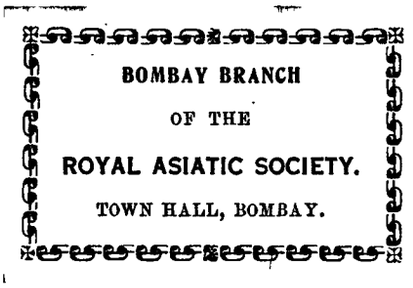

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Accounts and Estimates (East India); Explanatory Memorandum by the Secretary of State for India for the years 1898-99, 1901-02 & 1905-06 & 1907-08 and 1908-09.

EAST INDIA: ACCOUNTS AND ESTIMATES, 1898-99. 1901-02; 1902-03; 1903-04, 1904-05, 1905-06, 1907-08 and 19

2388/1941/35

EXPLANATORY MEMORANDUM

BY THE

SECRETARY OF STATE FOR INDIA.

134279

Presented to both Houses of Parliament by Command of Her Majesty.

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1898.

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Memorandum by the Secretary of State for India, relating to the Accounts of the Government of India for 1896-97, and the Estimates for 1897-98 and 1898-99.

[*Note.*—With the view of marking clearly the difference between Pounds sterling and Tens of Rupees, the notation of £ for the former and Rx for the latter is adopted in the Accounts and Estimates.]

Gross Revenue and Expenditure.

The Gross Revenue and Expenditure of the Government of India for the three years are as follows :—

Gross Revenue and Expenditure.	Account, 1896-97.	Revised Estimate, 1897-98.	Budget Estimate, 1898-99.
	Rx	Rx	Rx
Revenue	94,129,741	96,561,500	99,085,400
Expenditure chargeable thereon	95,834,763	101,844,600	98,194,000
Surplus (+) or Deficit (−)	*− 1,705,022*	*− 5,283,100*	+ 891,400

Net Revenue and Expenditure.

Apart from other considerations, the Revenue and Expenditure of the country are continually increasing through the opening of additional railways and canals ; and, therefore, a clearer view of the financial condition may be gathered by a reference to the net Revenue and Expenditure as shown in the form given in the return of Income and Expenditure laid before the House of Commons (No. 102 of 1898), and in Appendix E to the Financial Statement ; the net Revenue being the amount received from the principal sources, after deducting the refunds and assignments chargeable thereon, and, in the case of opium, the cost of cultivation and manufacture ; while the net Expenditure represents the charges of the various departments, after deducting the receipts of those departments. The following are the net figures :—

Net Revenue and Expenditure.	Account, 1896-97.	Revised Estimate, 1897-98.	Budget Estimate, 1898-99.
	Rx	Rx	Rx
Net Revenue	58,288,285	59,529,500	61,418,400
Net Expenditure	59,993,307	64,812,600	60,527,000
Surplus (+) or Deficit(−) ...	*− 1,705,022*	*− 5,283,100*	+ 891,400

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1896–97.

For the year 1896–97, the following table gives a comparison of the net Revenue and Expenditure as laid before the House in the Estimates and Account, when adjusted for comparison with the form now adopted :—

Net Revenue and Expenditure.	Budget Estimate, March, 1896.	Revised Estimate, as published in March 1897.	Account.
	Rx	Rx	Rx
Net Revenue	61,053,200	58,034,200	58,288,285
Net Expenditure	60,590,100	60,021,100	59,993,307
Surplus (+) or Deficit (−) ...	+ 463,100	*— 1,986,900*	*— 1,705,022*

Comparison of Account with Budget Estimate.

The variations from the Budget Estimate resulted in a reduction of the net Revenue by Rx 2,764,915, and of the net Expenditure by Rx 596,793, making the result worse by Rx 2,168,122.

Of the decrease of Rx 2,764,915 in the net Revenue, no less than Rx 2,161,372 occurred under the head of Land Revenue, in consequence of the failure of the crops. There were also reductions of Rx 379,176 under Opium, and Rx 273,107 under Salt, while under other heads there was a net gain of Rx 48,740. Out of the total reduction, Rx 380,074 fell on Provincial Funds.

The diminution of Rx 596,793 in the net Expenditure is the result of various causes. There was a reduction of Rx 1,491,938 in the net charge for Exchange; and there was a decrease of £245,729 in the net payments in England, chiefly in Military Stores, and under Interest owing to large receipts and to the premium on the issue of a loan. In India the Army Charges were reduced by Rx 239,280; the outlay on Buildings and Roads by Rx 405,181; the cost of collection of revenue by Rx 184,770, chiefly owing to smaller payments for Exchange compensation; Irrigation by Rx 220,678, in consequence of the better receipts; Provincial allotments by Rx 137,237 through the restriction of expenditure by the Local Governments; and various other heads by Rx 30,446; on the other hand, the cost of Famine Relief exceeded the Budget provision by Rx 1,990,641, against which there was a set-off of Rx 476,670 by the withdrawal of funds allotted to protective works, and the net charge on the Railway Revenue Account was increased by Rx 844,495 through the diminution of receipts. The result was a net increase in India of Rx 1,140,874, Imperial charges being enhanced by Rx 1,520,948, and Provincial and Local charges reduced by Rx 380,074.

Comparison of Account with Revised Estimate.

Compared with the Revised Estimate, the net Revenue was better by Rx 254,085, or about a half of 1 per cent., and the net Expenditure less by Rx 27,793, or not quite one-twentieth of 1 per cent. The approximate accounts published in India at the end of May 1897 showed an anticipated deficit of Rx 1,593,500.

1897–98.

The following table gives a comparison of the Revised Estimate for 1897–98 with the Budget Estimate published in March 1897 :—

Revised Estimate, 1897–98.

Net Revenue and Expenditure.	Budget Estimate.	Revised Estimate.	Difference.
	Rx	Rx	Rx
Net Revenue	59,629,700	59,529,500	*—100,200*
Net Expenditure	62,093,700	64,812,600	+2,718,900
Deficit (—)	*—2,464,000*	*—5,283,100*	*Worse2,819,100*

There is an estimated reduction of Rx 100,200 in the net Revenue, and an increase of Rx 2,718,900 in the net Expenditure, so that it is anticipated that the position will be worse by Rx 2,819,100.

In the net Revenue the estimated reduction of Rx 100,200 arises thus :—

		Rx
Opium : Lower price in Bengal, and reduction of Malwa Pass duty, counterbalanced to some extent by less payments		289,400
Excise : Reduced owing to famine and plague		181,300
Salt : Receipts in Madras postponed to 1898-99		98,500
		569,200
Against these are to be set improvements expected in —		
Land Revenue : Better receipts towards the close of the year	Rx 273,700	
Customs : Chiefly from imports of silver and oils ...	109,400	
Other heads	85,900	
		469,000
Net reduction		100,200

The increase of Rx 2,718,900 in the net Expenditure is thus divided :—

In India—Increase : War			3,787,500
Famine relief and Insurance			1,745,200
Civil Departments			273,600
Provincial Adjustments : Smaller portion of Expenditure defrayed from Provincial balances			484,300
			6,290,600
Reduction : Army (in Commissariat, various Establishments and supplies, and Exchange Compensation)	Rx 462,200		
Railway Revenue Account (better receipts)	547,300		
Irrigation (better receipts) ...	442,900		
Buildings and Roads (less expenditure on both military and civil works)	352,000		
Telegraph (improved receipts and less expenditure) ...	272,800		
Collection of Revenue (chiefly in Forest charges)... ...	108,200		
Other heads	60,300		
			2,245,700
Net increase in India ...			4,044,900
In England—Increase (owing to discount on issue of the Loan, and large demands from India for water pipes, &c.)			168,900
In Exchange on Net Sterling Expenditure : Reduction... ...			*—1,494,900*
Total net increase			2,718,900

of which all but Rx 416,600 falls on Imperial funds.

The total cost of the famine, direct and indirect, so far as the estimates for 1897-98 are affected thereby (including temporary suspension of revenue, but excluding protective railways and irrigation works), is calculated at Rx 9,327,300, and the amount in the Budget seems to have been about Rx 5,577,000, so that there is an increase of Rx 3,750,300. The portion of the cost of the war borne

in 1897-98 is estimated at Rx 3,810,600, of the plague at Rx 284,100, and of the earthquake at Rx 261,900. On the other hand, the net saving through the rise in exchange is Rx 1,544,300. Thus there was a net increase of Rx 6,562,600 from these special causes, and, as the deficit is augmented by only Rx 2,819,100, the position in other respects is better than in the Budget by Rx 3,743,500.

1898–99.

Compared with the Budget for 1897–98, the following are the alterations that appear in the Budget for 1898–99 :—

	Rx	Rx
The Land Revenue and Provincial Rates are expected to be better by		2,142,700
The receipts from other heads of Revenue (except opium) are better by		136,200
The provision under Famine Relief and Insurance is reduced by ...		2,567,000
The net Railway and Telegraph receipts in India are better by ...		315,800
The net ordinary charges in India for the Army are less by		332,400
And for Interest by		248,200
And under various other heads by		64,100
Exchange on net Expenditure in England is reduced by		1,384,400
		7,190,800

Against this have to be set the following causes of deterioration :—

	Rx	Rx
The net Opium revenue is worse by...	490,200	
Payments in connection with the Military operations on the North-West Frontier amount to	1,428,900	
Medical charges (resulting from the Plague) worse by	147,400	
And other Civil Departments by	97,700	
In Buildings and Roads, owing to large outlay by the Provincial Governments	231,800	
The portion of the net Expenditure expected to be defrayed from Provincial Revenue is less by ...	1,073,200	
Charges in England are enhanced by	366,200	
		3,835,400
Thus, there is a net improvement of		3,355,400

And, in place of the Deficit of Rx 2,464,000 shewn in the Budget for 1897–98, there is an anticipated surplus of Rx 891,400 in 1898–99.

In the following table, the net Revenue and Expenditure in the Budget for 1898–99 are compared with those shown in the Budget and Revised Estimates for 1897–98 :—

Net Revenue and Expenditure.	Budget Estimate, 1897–98.	Revised Estimate. 1897–98.	Budget Estimate, 1898-99.	Difference. as compared with	
				Budget, 1897–98.	Revised, 1897–98.
	Rx	Rx	Rx	Rx	Rx
Net Revenue	59,629,700	59,529,500	61,418,400	+ 1,788,700	+ 1,888,900
Net Expenditure.	62,093,700	64,812,600	60,527,000	— *1,566,700*	— *4,285,600*
Surplus (+) or Deficit (−)	*—2,464,000*	*—5,283,100*	+ 891,400	3,355,400 *Better*	6,174,500 *Better*

The increase of Rx 1,888,900 in the net Revenue over the Revised Estimate of 1897–98 is due mainly to the recovery anticipated from the effects of the Famine, in consequence of which the Land Revenue is expected to be better by Rx. 1,630,600. Further improvements are shown under Excise of Rx 212,100,

Provincial Rates of Rx 184,600, and Salt of Rx 99,200 ; but the net receipts from Opium are expected to be less by Rx 200,800, and under other heads the falling-off is reckoned at Rx 36,800.

The reduction of Rx 4,285,600 in the net Expenditure arises chiefly from the very large reductions of Rx 4,312,200 under Famine Relief and Insurance, and Rx 2,358,600 in the cost of the Military operations, while the net charge under Interest in India is lower by Rx 208,000. There are, however, estimated increases in India of Rx 581,800 in Civil and Military works, Rx 438,800 under Irrigation, the receipts from which are expected to fall off, Rx 393,000 in the Railway Revenue Account, Rx 129,800 in the Army ordinary charges, owing to the recent increase of the soldiers' pay, Rx 111,300 under Telegraph, Rx 41,800 under other heads ; and the portion of the net expenditure borne by the Provincial Governments is less by Rx 588,900. Finally, the net payments in England are estimated to be heavier by Rx 197,300, and Exchange by Rx 110,500.

Review of the last Three Years.

The following table shews approximately the extent to which the Accounts and Estimates have been disturbed by exceptional causes ; the figures for 1895–96 are inserted, for comparison with them.

——	1895–96.	1896–97.	Revised Estimate, 1897–98.	Budget, 1898-99.
Exchange on all Accounts ... Rx	13,990,949	12,116,399	10,546,100	10,401,500
Other heads apart from Exchange:—				
Famine Relief and Insurance ...	1,000,000	7,514,312	9,717,900	769,700
Plague	—	23,700	284,100	118,100
Earthquake	—	—	261,900	272,100
Military Operations	1,599,671	39,068	3,823,500	1,488,500
	16,590,620	19,693,479	24,633,500	13,049,900
Surplus apart from the foregoing charges	18,124,618	17,988,457	19,350,400	13,941,300
Final result: Surplus (+) or Deficit(−) ... ... Rx	+ 1,533,998	*− 1,705,022*	*− 5,283,100*	+ 891,400

The saving on Exchange, which in a large measure is attributable to the better rate obtained in consequence of the small amount of bills on India sold in 1897–98, is Rx 3,589,449 in the Budget, as compared with 1895–96. In the charge under Famine are included not only the payments for relief and protective works, but also the loss of land revenue remitted or suspended, and the diminution under other sources of revenue, while in 1898–99 allowance is made for arrears which are expected to be received. The reduction by 4,183,318 of the surplus in 1898–99 (apart from the special charges) as compared with 1895–96, arises from three causes: (1) a diminution of the net Revenue from Opium by Rx 2,386,685, owing chiefly to the great reduction in price from Rx 1,390 to an estimate of Rx 1,000 per chest, and in the Pass duty from Rx 650 to Rx 500, but partly also to the fact that the payments in 1895–96 were not for a full crop ; (2) a reduction of the net receipts on Railway Revenue Account by 1,535,423, owing mainly to the increase of the charges in India ; and (3) an increase of the cost of the Army by 1,144,550, of which Rx 785,037 occurs in India, and is caused by the increase in the pay of the native army, arrangements for mobilization, high prices, and various other causes, and by the additional advantages recently granted to the European soldiers, for which Rx 200,000 is provided in the current year, while £359,513 in England is for stores, passage, furlough allowances, and pensions. In other respects there is a net improvement of 883,340.

Famine Relief and Insurance.

The system of Famine Insurance has been explained on previous occasions. At first a provision of Rx 1,500,000 a year was devoted to the reduction or avoidance of debt, after meeting the small outlay needed in relief of distress ; but in 1894–95 it was decided that Rx 1,000,000 would be a sufficient appropriation. Under these arrangements the outlay from 1881–82 to 1895–96 was, on Relief Rx 320,664, on protective works Rx 11,996,221, and, in reduction or avoidance of debt Rx 5,327,299, making a total of Rx 17,644,184.

In the Budget for 1896–97 the usual provision of Rx 1,000,000 was made; but a most severe famine arose, and it became necessary not only to meet the direct outlay on relief, but also to make large suspensions and remissions of revenue. The following is an estimate of the net cost which has fallen on the Government in various ways through this terrible famine. In the Budget for 1898–99 it has been deemed advisable to restore the grant to the original amount of Rx 1,500,000; but against this have to be placed arrears of revenue previously suspended, which it is thought will be paid in the present year.

	1896–97.	Revised Estimate, 1897–98.	Budget, 1898–99.
	Rx	Rx	Rx
On relief	2,079,525	5,391,800	85,100
Remission of Land Revenue	871,600	576,400	—
Temporary suspension of Land Revenue	1,476,600	641,000	—
Loss of Revenue under Salt, Excise, and other heads	755,600	748,900	—
Compensation for high price of provisions, &c. ...	766,100	1,048,500	—
Loss of Railway revenue	1,504,100	1,477,400	—
Protective railways: working, &c.	438,857	368,200	400,800
„ works: construction	46,830	22,400	688,300
Reduction of Debt	—	—	325,800
	7,939,212	10,274,600	1,500,000
Deduct: Increase of Revenue from Irrigation ...	424,900	556,700	—
Arrears of Land Revenue	—	—	730,300
Net charge	7,514,312	9,717,900	769,700

This expenditure by the Government does not include any of the money disbursed from the Indian Famine Charitable Relief Fund, the subscriptions to which amounted to Rx 1,670,000.

Exchange.

The burden of the charges connected with the fall in Exchange attained what may be hoped to be its maximum in 1894–95, when the value of the rupee as measured in gold was, on the average, only 13·101*d.*, and the total charge was Rx 15,045,000. In 1895–96 the rupee rose to 13·638*d.*, and the charge fell to Rx 13,990,949. In 1896–97 the gold value of the rupee was 14·458*d.*, and the charge for Exchange Rx 12,116,399. According to the Revised Estimate for 1897–98, in which year the sale of bills on India was much restricted owing to the famine and the war, the average rate was 15·375*d.*, and the charge was reduced to Rx 10,546,100. In the Budget for 1898–99 the same rate is taken, and the charge is estimated at Rx 10,401,500.

Home Charges.

The net Expenditure in England chargeable to Revenue is shown as £15,468,729 in 1896–97, £16,099,000 in the Revised Estimate for 1897-98, and £16,286,500 in the Budget for 1898–99. The last-named amount is thus divided :—

	£
Interest and Management of Debt, and payment of Interest and Annuities on account of Railways	8,815,800
Payments in connection with Civil Departments in India ...	368,500
India Office, including Auditor's and Store Departments ...	184,400
Army Effective Charges	1,027,800
Stores of all kinds for revenue purposes	982,000
Furlough Allowances	612,900
Non-Effective Charges	4,295,100
Total	16,286,500

Besides this, the outlay on stores for the construction of Railways and Irrigation Works is £1,149,404 in 1896–97, £834,600 in 1897–98, and £1,119,900 in 1898–99.

Railways.

On the 31st of December 1897 the length of Railways in India open for traffic was 20,872 miles, of which 758 were opened in 1897. The total length sanctioned was 25,102 miles, of which 784 were sanctioned during that year.

A programme was approved for the three years from April 1, 1896, to March 31, 1899, involving the construction of 5,055 miles of railway, estimated to cost Rx 29,665,000, either by the State, or by Companies the interest on whose outlay is guaranteed by the Government; the amounts spent and to be spent are estimated at Rx 8,758,300 in 1896-97, Rx 8,414,400 in 1897-98, and Rx 10,836,900 in 1898-99. This is exclusive of lines to be made by private companies on branch or feeder line terms and by native States, estimated to amount to a length of 2,626 miles at a cost of Rx 16,189,000, towards which the estimates provide for Rx 2,160,200 in 1897-98, and Rx 2,360,700 in 1898-99.

The net return in India on the capital cost of the open lines was 5·78 and 5·24 per cent. in 1895 and 1896, respectively; the receipts were seriously affected by the Famine and Plague in both 1896 and 1897, and in the latter year the return fell to 5·03 per cent.

The net charge in the Railway Revenue Account in 1895-96 was Rx 1,620,268, but in 1896-97 it rose to Rx 2,659,981. In the Revised Estimate for 1897 it is Rx 2,816,800; but in the Budget for 1898-99 it falls to Rx 1,634,000.

Irrigation Works.

The Famine, which in other respects has been so disastrous, caused a great improvement in the revenue from Irrigation, and the net charge was only Rx 100,370 in 1896-97, while in 1897-98 there is an estimated net receipt of Rx 452,900. In 1898-99 it is not expected that there will be the same demand for the supply of water, and the net receipt anticipated in the Budget is only Rx 15,000. The capital outlay on Irrigation Works, including sums spent from revenue was Rx 795,818 in 1896-97, and is estimated at Rx 734,300 in 1897-98, and Rx 787,400 in 1898-99.

Debt.

In 1896-97 the Government of India raised a loan at 3 per cent., for Rx 4,000,000, at an average price of Rs 103 ,, 1 ,, 10½ per cent.; and, following on this, they offered to the holders of the 3½ per cent. loans of 1853-54 and 1893-94 the alternative of discharge or of conversion into the 3 per cent. loan; the latter offer was accepted to the extent of Rx 4,887,160, leaving Rx 797,790 to be discharged. It having been determined to increase from 80 to 100 millions of rupees the portion of the currency reserve which is allowed to be invested in Government securities, an Act (No. XXI. of 1896) was passed for the purpose; and the sum of 20 millions of rupees was then transferred to the Government Treasury from the Currency Department, which received in exchange 3 per cent. promissory notes for Rx 2,048,650, the calculation being made at the price of the stock at the time of transfer. A second instalment (Rx 120,000) of the Gwalior 4 per cent. loan was repaid, and other debt was discharged to the amount of Rx 602,525. In England £2,400,000 India 2½ per cent. stock was issued, at an average price of £103 0*s.* 6*d.* per cent.; and the proceeds were applied to the discharge of £2,000,000 India 3¼ per cent. debentures, £313,700 South Indian Railway debentures bearing interest at 3¼ per cent., and £5,190 of outstanding India 4 per cent. stock; the temporary debt was reduced by £1,000,000, and £101,609 of India 3½ per cent. stock was cancelled by the operation of the sinking funds.

In 1897-98 a loan was raised for the prosecution of railways in India, at 3½ per cent., to the amount of Rx 3,000,000, at an average price of Rs 98 ,, 5 ,, 3 per cent., and debt was discharged to the extent of Rx 429,500. In England, India 2½ per cent. stock to the amount of £3,500,000 was issued, at an average price of £96 15*s.* 11*d.* per cent.; £6,000,000 was also raised by India (sterling) bills, at average rates varying from £2 4*s.* 5*d.* to £2 15*s.* 2*d.* per cent. per annum, while £1,000,000 of such bills was paid off; and £2,700 of outstanding 4 per cent. stock was discharged.

For 1898-99 the Budget contemplates the raising of a loan of Rx 3,000,000 in India, against which is set the discharge of Rx 325,000. In England it is intended to issue £6,000,000 stock, part of the proceeds of which will be applied to the discharge of £3,000,000 India 3¼ per cent. debentures, and £384,700 Oude and Rohilkund Railway 4 per cent. debenture stock. The £6,000,000 India (sterling) bills falling due are to be replaced by similar bills.

Trade.

The following figures show the Exports from, and Imports into, India, during the last three years :—

	1895-96.	1896-97.	1897-98.
	Rx	Rx	Rx
Exports of Merchandise	114,334,738	103,984,096	97,635,200
Imports „	72,936,753	76,103,948	73,634,300
Net Exports of Merchandise	41,397,985	27,880,148	24,000,900
Net Imports of Gold	2,525,953	2,291,038	4,908,500
Net Imports of Silver	6,582,222	5,856,029	8,473,500
Net Imports of Treasure	9,108,175	8,147,067	13,382,000
Balance : Net Exports	32,289,810	19,733,081	10,618,900

The large absorption of gold and silver in two years of great distress is very remarkable, and it is doubtless in a great degree attributable to the restriction of the Secretary of State's bills on India, which led to attention being directed to other modes of remittance.

Assets and Liabilities.

Taking as assets the value of the railways and irrigation works constructed by the State, as shown by the capital outlay upon them, the amounts lent to port trusts and other corporations, landholders, &c., and the cash balance in hand, and as liabilities the debt and other obligations, the Government of India had, according to the estimates, on the 31st of March 1898, in *India* a surplus of assets over liabilities amounting to Rx 29,489,000. On the other hand, if against the debt in England are set the sterling value of the purchased railways constructed by Companies, advances made to Railway Companies, and the cash balance, there is an excess of liabilities in *England* amounting to £55,675,000.

Burden of Taxation.

If the taxation proper be divided over the population of British India, without making any deduction on account of the portion derived from Salt, Excise, Customs, &c., which must fall on the inhabitants of the Native States, the burden of taxation per head in the Budget for 1898-99 is R 1 „ 4 „ 9, which, at the Exchange value of 16 pence per rupee, is equal to about 1*s.* 9*d.* If to this be added the amount of the Land Revenue, the average is raised to R 2 „ 7 „ 10, or about 3*s.* 4*d.*

GEORGE HAMILTON,
Secretary of State.

India Office,
25th May 1898.

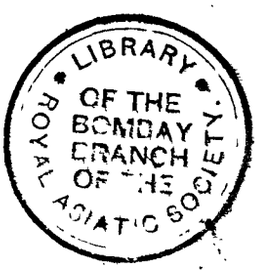
EAST INDIA: ACCOUNTS AND ESTIMATES, 1901-1902.

EXPLANATORY MEMORANDUM

BY THE

SECRETARY OF STATE FOR INDIA.

Presented to both Houses of Parliament by Command of His Majesty.



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Memorandum by the Secretary of State for India, relating to the Accounts of the Government of India for 1899–1900, and the Estimates for 1900–1901 and 1901–1902.

Form of Account.

From 1884–85 to 1898–99, the Accounts of the Government of India were rendered so as to shew the transactions in India in tens of rupees, the notation of Rx being substituted for £ in 1886–87; those in England were given in sterling, and a column of Exchange was added under the several heads, the effect of which was to bring the whole into tens of rupees, as exhibited in a final column. Sovereigns having now been made legal tender in India, and being at present interchangeable with rupees at the rate of 1 to 15 (equal to 16 pence per rupee), the Government of India have altered the form of the Accounts.

For the year 1899–1900, the Accounts are prepared so as to shew the transactions in India in rupees; the totals of these transactions are then shewn in pounds at the rate of 1 to 15; the sterling transactions in England are next stated; and the last two sets of figures are added together, so as to shew in pounds the combined transactions in India and in England. Thus, whereas formerly the English transactions were brought into tens of rupees by adding the exchange, under the new plan the Indian transactions are converted into pounds and added to those in sterling.

The comparatively small addition or deduction on account of exchange resulting from the facts that the remittances are not effected at exactly 16 pence to the rupee, and that the Government is under obligations to carry out various transactions at specific rates, are included in a single line, under the head of Exchange, in the miscellaneous group of Revenue or Expenditure.

Gross Revenue and Expenditure.

The Gross Revenue and Expenditure of the Government of India for the three years are as follows:—

Gross Revenue and Expenditure.	Account, 1899-1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.
	£	£	£
Revenue	68,637,164	75,166,000	72,191,900
Expenditure chargeable thereon	65,862,541	73,525,600	71,501,000
Surplus	2,774,623	1,640,400	690,900

Net Revenue and Expenditure.

Apart from other considerations, the Revenue and Expenditure of the country are continually increasing through the opening of additional railways and canals; and, therefore, a clearer view of the financial condition may be gathered by a reference to the net Revenue and Expenditure as shown in the form given in the return of Income and Expenditure laid before the House of Commons (No. 146 of 1901), and in Statement E appended to the Financial Statement (No. 171 of 1901); the net Revenue being the amount received from the principal sources, after deducting the refunds and assignments chargeable thereon, and, in the case of opium, the cost of cultivation and manufacture, and also the net

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receipts under the heads of Mint, Exchange, and Miscellaneous; while the net Expenditure represents the charges of the various departments, after deducting the receipts of those departments. The following are the net figures :—

Net Revenue and Expenditure.	Account, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.
	£	£	£
Net Revenue	40,986,698	42,510,200	42,322,700
Net Expenditure	38,212,075	40,869,800	41,631,800
Surplus...	2,774,623	1,640,400	690,900

1899–1900.

For the year 1899–1900, the following table gives a comparison of the net Revenue and Expenditure as laid before the House in the Estimates and Account, when adjusted for comparison with the form now adopted :—

Net Revenue and Expenditure.	Budget Estimate, March 1899.	Revised Estimate, as published in March 1900.	Account.
	£	£	£
Net Revenue	41,392,700	41,041,500	40,986,698
Net Expenditure	38,770,900	38,488,700	38,212,075
Surplus...	2,621,800	2,552,800	2,774,623

Comparison of Account with Budget Estimate.

The variations from the Budget Estimate resulted in a reduction of the net Revenue by £406,002, and of the net Expenditure by £558,825, making the result better by £152,823.

Table I., page 12.

The reduction in the net Revenue was attributable to the Famine, Land Revenue being less by £1,215,275, and Provincial Rates by £135,442; but there were improvements of £444,189 under Opium, £292,583 under Mint, £132,151 in Exchange, and £75,792 under Customs and other heads.

Table II., page 12.

The reduction of £558,825 in the net Expenditure occurred thus :—The Army Charges were reduced by £990,457, owing to the absence of regiments employed out of India, to the interruption of the transport service, to more economical arrangements on the north-west frontier, and to a diminished non-effective charge; the Railway Revenue Account was better by £569,556; there was a reduction of £337,810 under Civil Works; of £132,156 under Civil Departments; and of £120,491 under Telegraph; the cost of the Collection of Revenue was less by £95,561; of Irrigation by £58,887; and of Military Works by £44,744; and the net receipt from the Post Office was greater by £49,768. On the other hand, there was an increase of £1,345,748 under Famine Relief and Insurance; of £57,025 in Civil Furlough pay; and of £27,552 under other heads; and the Provincial and Local Balances were better than had been expected by £410,280, the Imperial Government having made to them special grants amounting to £387,500.

Comparison of Account with Revised Estimate.

Tables III. and IV., pages 13 and 14.

Compared with the Revised Estimate, the net Revenue was worse by £54,802, or rather less than one-seventh of 1 per cent., and the net Expenditure less by £276,625, or about two-thirds of 1 per cent.

1900-1901.

The following table gives a comparison of the Revised Estimate for 1900-1901 with the Budget Estimate published in March 1900 :—

Net Revenue and Expenditure.	Budget Estimate.	Revised Estimate.	Difference.
	£	£	£
Net Revenue	42,051,500	42,510,200	+ 458,700
Net Expenditure	41,891,200	40,869,800	*—1,021,400*
Surplus	160,300	1,640,400	1,480,100 Better

There is an estimated improvement of £458,700 in the net Revenue, and a reduction of £1,021,400 in the net Expenditure, so that it is anticipated that the position will be better by £1,480,100. **Comparison of Budget with Revised Estimate.**

In the net Revenue the estimated increase of £458,700 arises chiefly under Opium, the receipts from which are expected to be better by £552,500 ; Customs give an improvement of £169,200 ; Excise £138,500 ; Salt £113,000 ; Forest £90,400 ; and Stamps £75,400. On the other hand, there is a reduction of £381,500 under Land Revenue ; £159,000 under Mint ; £50,500 in the Provincial Rates ; and £89,300 under other heads. **Table V., page 14.**

The following is an explanation of the reduction of £1,021,400 in the net Expenditure. The Army Charges were less by £1,276,400, owing to the absence of regiments from India in South Africa and China, the stoppage of the regular transport of reliefs, and reduction in the payments for ordnance stores ; the Railway Revenue Account was better by £641,600, and Irrigation by £202,100 ; Political Charges were less by £131,300, mainly owing to delay by the Amir of Afghanistan in drawing his subsidy ; Telegraph by £89,400 ; and the Collection of Revenue by £74,200 ; the expenditure on Local Railways was lower by £67,000 ; Civil Departments (other than Political) by £53,200 ; Post Office by £51,300 ; and other heads by £69,700 ; while there was an increase of £181,700 under Interest, owing to the issue of £3,000,000 India Stock which had not been contemplated in the Budget ; the Famine Charge was heavier by £876,700 ; and the Provincial and Local Balances were increased by £576,400, special grants amounting to £699,500 having been made to them by the Imperial Government. **Table VI., page 15.**

1901-1902.

Comparison of Budget for 1901-1902 with Budget for 1900-1901.

Compared with the Budget for 1900–1901, the following are the alterations expected in the Budget for 1901–1902 :—

In the net Revenue there is an improvement of £271,200, which arises thus :—

	£	£	£
Excise	147,500		
Provincial Rates	110,500		
Salt	92,500		
Land Revenue...	95,400		
Stamps	80,600		
Forest	66,400		
Customs	49,500		
Other heads	16,000		
		658,400	
But under Mint, owing to the decision to pay to a Gold Reserve Fund the net profit on the coinage of rupees, there is a reduction of	256,900		
And under Miscellaneous, through the remission of famine loans	130,300		
		387,200	
Increase of net Revenue ...	...		271,200
In the net Expenditure there is an estimated reduction under Famine Relief and Insurance	2,368,300		
And the Railway Revenue Account is better by	320,600		
		2,688,900	
But against this must be set an increase in all other branches :			
Army	790,900		
Military Works	113,400		
Irrigation and other Public Works	525,000		
Civil Departments	337,000		
Collection of Revenue	113,800		
Interest	82,600		
Other heads	98,800		
Provincial and Local Balances ...	368,000		
		2,429,500	
Reduction of net Expenditure			259,400
The result is that, notwithstanding special grants to Provincial Governments amounting to £1,096,200, the position is better by			530,600

Comparison of Budget for 1901-1902 with Revised Estimate for 1900-1901.

In the following table, the net Revenue and Expenditure in the Budget for 1901–1902 are compared with those shown in the Budget and Revised Estimates for 1900–1901 :—

Net Revenue and Expenditure.	Budget Estimate, 1900–1901.	Revised Estimate, 1900–1901.	Budget Estimate, 1901-1902.	Difference, as compared with	
				Budget, 1900–1901.	Revised, 1900–1901.
	£	£	£	£	£
Net Revenue	42,051,500	42,510,200	42,322,700	+ 271,200	— *187,500*
Net Expenditure.	41,891,200	40,869,800	41,631,800	— *259,400*	+ 762,000
Surplus ...	160,300	1,640,400	690,900	+ 530,600 Better	— *949,500 Worse*

The reduction in the Budget for the current year of £187,500 in the net Revenue, from the amount in the Revised Estimate of 1900–1901, is due mainly to a decrease of £569,800 under Opium, owing to the moderate estimate of the price in Calcutta, which is taken at only Rs. 1,100 per chest, as compared with Rs. 1,361 in the Revised Estimate for 1900–1901. There is an improvement of £476,900 in Land Revenue, and of £161,000 in Provincial Rates; but a diminution of £119,700 under Customs, of £97,900 under Mint, and of £38,000 under other heads. Table VII., page 16.

The total Net Expenditure in 1901–1902 is expected to be larger than the amount in the Revised Estimate for 1900–1901 by £762,000, notwithstanding reductions of £3,245,000 under Famine Relief and Insurance, £99,100 in Interest, and £208,400 under Provincial and Local Balances. The main increase is that of £2,083,200 in the Army Effective Charges, in consequence of the expected return of troops from South Africa and China, the re-armament of the Native Forces, improvement of the Transport Service, large purchases of ordnance stores, and other measures for increasing the efficiency of the troops; in Civil Works there is an increase of £551,900; the Railway Revenue Account is worse by £321,000; and Irrigation by £226,900, as it is not thought prudent to estimate for so large receipts as in the past year; the Political charges are increased by £195,300, in anticipation that the Amir of Afghanistan will draw his full subsidy; the Collection of Revenue is heavier by £188,000; Military Works £149,400; Police £137,800; Telegraph £121,300; Scientific and Minor Departments, including the Census, £108,200; Education £77,900; Post Office £75,800; and other heads £77,800. Table VIII., page 16.

Combining with this the reduction of £187,500 in the Net Revenue, it will be seen that, on the whole, the position is worse by £949,500 than in the previous year.

Review of the last Three Years.

The Budget for 1901–1902 shows a deterioration of £1,949,973 as compared with the Account for 1898–99. The Net Revenue is increased by £443,083, chiefly the result of an improvement of £536,891 under Opium. The Net Expenditure, however, is increased by £2,393,056, the charges in India being heavier by £738,864, while in England they are enhanced by £1,654,192. The increase in India arises mainly in the groups of Civil Departments, £846,237; Civil Buildings and Roads, £843,569; and Collection of Revenue, £463,146 (towards meeting which the Provincial Balances, having received special grants of £1,096,200 from the Imperial Government, contribute an amount larger by £1,160,834); Army Effective Charges, £292,026; Famine Relief and Insurance, £208,458; Military Works, £123,208; Irrigation, £99,575; and other heads, £189,628; while the charge for Interest is reduced by £127,373, and the Railway Revenue Account is better by £1,038,776. Of the increase of £1,654,192 in England, £688,194 is for Ordnance Stores and other military purposes; £583,411 is on the Railway Revenue Account; £233,210 for Interest; £100,978 under Telegraph; and £48,399 under other heads. Tables IX., X., and XI., pages 17 to 19.

Famine Relief and Insurance.

The system of Famine Insurance has been explained on previous occasions. At first a provision was made of 15,000,000 rupees a year, which, after meeting the small outlay needed in relief of distress, was devoted to the reduction or avoidance of debt; but it was subsequently decided, with effect from the 1st of April, 1894, that 10,000,000 rupees would be a sufficient appropriation. Under these arrangements the outlay from 1881–82 to 1895–96 was, on relief £213,776, on protective works £7,997,481, and in reduction or avoidance of debt £3,551,533, making a total of £11,762,790. Table XII., page 20.

The years 1896–97 and 1897–98 were marked by a very serious famine, during which the cost of relief was extremely heavy. In 1898–99 the grant was about 15,000,000 rupees or £1,000,000, which was determined to be the provision that should be made in normal years. Owing, however, to a yet more widely spread famine, the expenditure in 1899–1900 was £2,128,447; and in the Revised Estimate for 1900–1901 it is taken at £4,245,000. In the Budget for 1901–02 the normal provision of £1,000,000 is entered. The further cost, owing to loss

of revenue and to payments in compensation for dearness of provisions, &c., after making allowance for increased receipts from railways and irrigation, is estimated at £1,367,000 in 1899–1900, £1,336,000 in 1900–1901, and £367,000 in 1901–1902. Besides this, loans to Native States and agricultural advances have been made, which amounted to £1,041,000 in 1899–1900, and £3,687,000 in 1900–1901. Altogether the drain on the balances is estimated to have been £4,536,000 in 1899–1900, and £9,268,000 in 1900–1901.

Exchange.

Table XIII., page 20.

Owing to the alteration in the form of the Accounts explained on page 3, and the slightness of the variations in the gold value of the rupee from the rate of 16 pence, the entry under Exchange has become of minor importance. In the Account for 1899–1900 there is a charge of £80,949; in the Revised Estimate for 1900–1901 a charge of £3,300; and in the Budget for 1901–1902 a receipt of £16,000. This is, however, exclusive of the payments in India as compensation to the European troops and the officers, on account of the fall in the value of the rupee from its former rate to 16*d.*, which amount to about £764,000.

Home Charges.

Table XIV., page 21.

The net Expenditure in England chargeable to Revenue is shown as £16,129,303 in 1899–1900, £16,961,400 in the Revised Estimate for 1900-1901, and £17,747,300 in the Budget for 1901–1902. The last-named amount is thus divided :—

	£
Interest and Management of Debt, and payment of Interest and Annuities on account of Railways	9,515,600
Payments in connection with Civil Departments in India ...	365,900
India Office, including Auditor's and Store Departments ...	182,400
Army Effective Charges	831,600
Stores of all kinds charged against revenue	1,918,400
Furlough Allowances	639,700
Non-Effective Charges	4,293,700
Total	17,747,300

Besides this, the outlay on stores, &c., for the construction of State Railways and Irrigation Works was £615,814 in 1899–1900, and is estimated at £654,800 in 1900–1901, and £1,483,900 in 1901–1902.

Railways and Irrigation Works.

Tables XV. to XVII., pages 22 to 24.

On the 31st of March 1901 the length of Railways in India open for traffic was 25,156 miles, of which 1,387 were opened in 1900–1901. The total length sanctioned was 27,175 miles, of which 392 were sanctioned during that year.

The Expenditure on Railway Construction for which the Government undertakes financial responsibility or gives a direct guarantee amounted to £5,980,876 in 1899–1900, and is estimated at £5,556,500 in 1900–1901, and £6,926,200 in 1901-1902. This, however, does not include Expenditure by branch line Companies not in receipt of a direct guarantee, or by those whose trancactions are outside the Government accounts, nor outlay from Provincial and Local Revenues on local lines; if these are added, the total expenditure becomes £6,595,079 in 1899-1900, £5,861,000 in 1900-1901, and £7,392,200 in 1901–1902.

The net return in India on the capital cost of the open lines was 5·37 per cent. in 1898, and 5·39 in 1899, and in 1900 it is estimated at 5·50.

In the Railway Revenue Account there was, in 1899–1900, a net receipt, for the first time, amounting to £76,756, after including in the charge £221,700 on account of the redemption of capital which is contained in the annuities issued for the purchase of guaranteed railways. In 1900–1901 there is, according to the Revised Estimate, a net receipt of £156,200, after charging £402,000 for redemption of capital. In the Budget for 1901–1902 it is estimated that there will be a net charge of £164,800, the payments in redemption of capital amounting to £590,100.

The Famine, which in many other respects was so disastrous, was favourable to the revenue from Irrigation, and in 1899–1900 and 1900–1901 the net receipts were £136,387 and £307,900 respectively. For 1901–1902 they are taken at only £81,000. The capital outlay on Irrigation Works, including sums spent from revenue, was £627,951 in 1899–1900, and is estimated at £625,400 in 1900–1901, and £752,000 in 1901–1902, the grant having been specially increased.

Debt.

In 1899–1900 there was a slight reduction of the debt, both in India and in England; and the India sterling bills, which fell due, were replaced by similar bills, at average rates varying from £2 10*s.* 2*d.* to £4 2*s* 11*d.* per cent. Table XVIII., page 24.

In 1900–1901, a Loan of three crores of rupees (£2,000,000) was raised in India at 3½ per cent., at an average price of about 94 per cent., and £301,900 Temporary Debt was also incurred, while £96,700 of Permanent Debt was discharged. In England the Temporary Debt was increased by £500,000, Sterling Bills being issued to an amount of £5,500,000, at average rates varying from £3 6*s.* 2*d.* (June) to £3 17*s.* 8*d.* (December) per cent., while only £5,000,000 was discharged; and, owing to the expenditure in the relief of famine and the large amount of advances to the Native States, India 3 per cent. Stock to the amount of £3,000,000 was issued at the fixed price of £95 10*s.* per cent.

For 1901–1902 the Budget provides in India for a Rupee Loan of two crores (£1,333,300), and the repayment of £93,300 Permanent and £301,900 Temporary Debt; and in England for an issue of £1,000,000 India Stock, and for the replacement of the Sterling Bills which fall due.

Trade.

The following figures show the Exports from, and Imports into, India, during the last three years:— Table XIX., pages 25 to 28.

	1898–99.	1899–1900.	1900–1901.
	£	£	£
Exports of Merchandise	75,199,816	72,722,215	71,842,943
Imports „	48,067,686	50,202,987	53,929,392
Net Exports of Merchandise	27,132,130	22,519,228	17,913,551
Net Imports of Gold	4,335,605	6,293,734	561,423
Net Imports of Silver	2,653,856	2,384,465	6,338,155
Net Imports of Treasure	6,989,461	8,678,199	6,899,578
Balance: Net Exports	20,142,669	13,841,029	11,013,973

The Exports of merchandise in 1900–1901 were less than in the previous year by £879,272, and the Imports were larger by £3,726,405; so that there was a reduction of £4,605,677 in the net Exports of merchandise. In the net Imports of treasure there was a reduction of £1,778,621, an increase of £3,953,690 occurring in silver, while in gold there was a reduction of £5,732,311. The surplus of Exports, on the whole, was £11,013,973, as against £13,841,029 in 1899–1900.

The transactions in treasure on account of the Government were unusually large in 1900–1901. Owing to the demand for rupees, silver to the value of £5,389,051 was imported on Government account; and towards the payments for it £4,482,242 of gold was exported.

Assets and Liabilities.

Table XX., page 29. As the statement of Assets and Liabilities shows a considerable improvement this year, owing to the purchase of an important railway undertaking by means of an annuity, it may be well to explain somewhat fully the nature of this statement. It contains only the figures which relate to capital, not those dealing with annual revenue and expenditure. The assets, in addition to sums due from corporations and railway companies and the cash balances, comprise the values of the railways and irrigation works constructed or purchased by the State; but these values are taken as being identical with the total capital outlay upon each undertaking, as shown in the capital accounts in India; they do not represent the commercial value of the undertakings, nor are they based upon the prices that it has been necessary to pay, in order to acquire those undertakings; otherwise, the assets would, of course, appear much larger. The liabilities are the debt and capital obligations which the Secretary of State has already incurred, or which he has assumed the liability to incur; but they do not take account of the annuities by means of which the undertakings have been purchased, and which, being by law charged on the revenues of India, are shown in the statement of expenditure (against the earnings of the railways shown in the statement of revenue), and are not entered in the capital account.

On the 31st of March 1901 the assets were £216,416,000 and the liabilities £225,885,000.

Burden of Taxation.

Table XXI., page 29. If the taxation proper be divided over the population of British India, without making any deduction on account of the portion derived from Salt, Excise, Customs, &c., which must fall on the inhabitants of the Native States, the burden of taxation per head in the Budget for 1901–1902 is 1*s.* 9*d.* If to this be added the amount of the Land Revenue, the average is raised to 3*s.* 3*d.*

GEORGE HAMILTON,
Secretary of State.

India Office,
8th July, 1901.

APPENDICES.

APPENDICES.

APPENDIX 1.

Tables to which reference is made in the Explanatory Memorandum, the rupee being taken as equal to 16 pence.

TABLE I.

1899-1900.—NET REVENUE.

COMPARISON of ACCOUNT with BUDGET ESTIMATE.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Land Revenue	—*1,143,527*	— *71,748*	—	—*1,215,275*	Decrease owing to large suspensions and remissions rendered necessary by the Famine, chiefly in Bombay £600,928, Central Provinces £252,197, Punjab £213,274, Madras £173,745, and North-West Provinces £135,833. Increase in Burma £140,739, and otherwise £19,963.
Opium	+ 444,010	— *15*	+ 194	+ 444,189	Improvement in Calcutta, where the number of chests sold was larger than the estimate by 900, and the average price realised was 1,221 instead of 1,100 rupees per chest.
Provincial Rates	— *1,597*	— *133,845*	—	— *135,442*	Reduction in Bombay £42,685, Punjab £39,524, Central Provinces £26,630, North-West Provinces £22,665, and elsewhere £3,938.
Customs	+ 41,562	+ 1,133	—	+ 42,695	Increase from Import duties at Calcutta.
Mint	+ 293,965	—	—| *1,382*	+ 292,583	Chiefly owing to the gain on the coinage of 130 lakhs of rupees; but partly to heavy coinage of dollars, and to the gain on copper coins demanded in consequence of the Famine.
Exchange	+ 132,151	—	—	+ 132,151	The remittances were effected at 16·068*d.* per rupee, instead of 15·75*d.* as estimated.
Other heads	+ 11,068	+ 31,693	— *9,664*	+ 33,097	
Total	— *222,368*	— *172,782*	— *10,852*	— *406,002*	

TABLE II.

1899-1900.—NET EXPENDITURE.

COMPARISON of ACCOUNT with BUDGET ESTIMATE.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Army: Effective: Ordinary	— *512,195*	—	— *366,378*	— *878,573*	Reduction of expenditure £776,283; namely, in India, £326,000 owing to troops being sent to South Africa, &c., £61,000 on the Khyber and Kohat-Kurram forces and other special services, and £37,020 from other causes; and in England £132,817 through the dislocation of the troop service, £162,326 in ordnance stores, £50,604 in clothing for the European troops, and £6,516 in other respects. Increase of receipts £102,290, owing to payments by the British Government for stores and animals taken to South Africa.
Warlike Operations	— *25,900*	—	— *5,300*	— *31,200*	
Army: Non-Effective ...	— *4,028*	—	— *76,656*	— *80,684*	Reduction in pensions paid to Indian officers.
Carried forward ...	— *542,123*	—	— *448,334*	— *990,457*	

TABLE II—*continued.*

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Brought forward ...	— *542,123*	—	— *448,334*	— *990,457*	
Military and Special Defence Works.	— *62,500*	—	+ 17,756	— *44,744*	Reduction in India, especially on the frontier.
Collection of Revenue ...	— *18,364*	— *79,226*	+ 2,029	— *95,561*	Reduction chiefly under Land Revenue and Salt.
Post Office	— *46,480*	— *3,953*	+ 665	— *49,768*	Charges reduced £10,353; receipts increased £39,415.
Telegraph	— *109,059*	—	— *11,432*	— *120,491*	Reduction of expenditure, chiefly on capital account, £22,018; increase of revenue, owing largely to war in Africa and to Famine, £98,473.
Railway Revenue Account	— *547,399*	+ 616	— *22,773*	— *569,556*	Increase of net receipts £497,441; reduction of charges £72,115.
Irrigation	+ 444	— *60,066*	+ 735	— *58,887*	Increase of receipts.
Famine Relief and Insurance	+1,316,059	+ 25,972	+ 3,717	+1,345,748	Increase on Famine relief £2,071,118, of which £1,029,946 in the Central Provinces, £776,071 in Bombay, £153,443 in the Punjab, £100,531 under India General (Ajmir, &c.), and £11,127 elsewhere. Increase on Protective Irrigation Works £3,930. Withdrawal of grants of £729,300 for Protective Railways and Avoidance of Debt.
Civil Departments	— *134,615*	— *169,421*	+ 171,880	— *132,156*	Reduction under Medical £187,365, the expenditure owing to the plague being less than had been expected, and under Law and Justice £45,038; increase in Administration £77,976, mainly in consequence of the purchase of land under the India Office (Store Depôt) Act, Marine £55,038 caused by payments for the troopship "Hardinge," and Political £44,636 through the payment of arrears of the Amir of Afghanistan's subsidy. Under other heads there is a reduction of £77,403.
Civil Furlough	+ 144	—	+ 56,881	+ 57,025	Due to an exceptionally large number of officers being on furlough.
Civil Works	— *26,299*	— *316,288*	+ 4,777	— *337,810*	General reduction, except in Assam.
Other heads	— *9,802*	+ 19,304	+ 18,050	+ 27,552	
Provincial and Local Balances.	—	+ 410,280	—	+ 410,280	The increase over the estimate was in Burma £261,308, Bengal £159,405, North-West Provinces £111,042, and Assam £20,200; while there was a decrease of £195 under India General, £2,516 in the Central Provinces, £10,470 in Madras, £40,297 in Bombay, and £88,197 in the Punjab. The special contributions from Imperial revenues to Bombay, the Central Provinces, Madras, and the Punjab, were greater by £260,500 than the Budget provided.
Total	— *179,994*	— *172,782*	— *206,049*	— *558,825*	
Deducting from this improvement the reduction of the net Revenue shown in Table I., the Imperial position is, on the whole, better by £152,823.	— *42,374*	—	+ 195,197	+ 152,823	

TABLE III.

1899-1900.—NET REVENUE

COMPARISON OF ACCOUNT with REVISED ESTIMATE.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Land Revenue	— *30,427*	+ 4,952	—	— *25,475*	Falling-off in Madras and Bombay.
Salt	— *30,461*	+ 436	—	— *30,025*	Reduction in Bombay and Madras in excise on local manufacture.
Stamps	+ 9,361	+ 24,659	—	+ 34,020	Improvement chiefly in the North-West Provinces and Madras.
Other heads	— *22,841*	— *13,329*	+ 2,848	— *33,322*	
Total	— *74,368*	+ 16,718	+ 2,848	— *54,802*	

TABLE IV.

1899-1900.—NET EXPENDITURE.

COMPARISON OF ACCOUNT with REVISED ESTIMATE.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Army: Effective	— *118,495*	—	— *52,478*	— *170,973*	Reduction in India £118,495, mainly in commissariat; and in England £52,478, owing chiefly to smaller payments for stores and larger receipts on account of the Troop Service.
Railway Revenue Account	— *86,899*	+ 1,616	+ 127	— *85,156*	Improvement of net receipts £68,641; diminution of charges £16,515.
Irrigation	+ 64,044	— *27,066*	+ 35	+ 37,013	Increase of charge £21,675; reduction of receipts £15,338.
Marine	— *12,110*	+ 2,278	— *27,630*	— *37,462*	Owing chiefly to delay in the settlement of accounts with the Admiralty.
Other heads	— *22,334*	+ 39,890	— *37,603*	— *20,047*	
Total	— *175,794*	+ 16,718	— *117,549*	— *276,625*	
Setting against this the reduction in the net Revenue shown in Table III., the position of the Imperial Government is better by	+ 101,426	—	+ 120,397	+ 221,823	

TABLE V.

1900-1901.—NET REVENUE.

COMPARISON of REVISED with BUDGET ESTIMATE.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Land Revenue	— *649,500*	+ 268,000	—	— *381,500*	Reduction in Bombay, owing to the Famine.
Forest	+ 45,700	+ 44,700	—	+ 90,400	Great demand for teak in Burma.
Tributes	— *34,300*	— *200*	—	— *34,500*	Reduction chiefly in Bombay.
Opium	+ 553,000	—	— *500*	+ 552,500	Improvement of revenue, mainly in Bengal, the average price per chest being Rs. 1,361, instead of an Estimate of Rs. 1,200, and 900 more chests being sold.
Salt	+ 117,400	— *4,400*	—	+ 113,000	General improvement, except in Burma.
Stamps	+ 17,700	+ 57,700	—	+ 75,400	Improvement mainly in the North-West Provinces.
Excise	+ 85,100	+ 53,400	—	+ 138,500	Increase especially in Madras, Bengal, North-West Provinces, and Burma.
Provincial Rates	—	— *50,500*	—	— *50,500*	Reduction principally in Bombay, Central Provinces, and Punjab.
Customs	+ 165,500	+ 3,800	—	+ 169,300	Increase of imports of sugar, and countervailing duty thereon.
Mint	— *151,400*	—	— *7,700*	— *159,100*	Owing to the decision that the profit on coinage of rupees shall be paid to the Gold Reserve Fund.
Miscellaneous	— *14,700*	— *43,800*	— *3,200*	— *61,700*	Agricultural advances treated as irrecoverable, and unusual remittances of coin in India rendered necessary by the low balances.
Other heads	— *1,400*	+ 8,300	—	+ 6,900	
Total	+ 133,100	+ 337,000	— *11,400*	+ 458,700	

TABLE VI.

1900–1901.—NET EXPENDITURE.

COMPARISON of REVISED with BUDGET ESTIMATE.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Interest	— *26,500*	+ 28,100	+ 180,100	+ 181,700	Owing to the issue of £3,000,000 India Stock, which was not contemplated when the Budget was framed.
Army: Effective	— *974,800*	—	— *301,600*	—*1,276,400*	In India, the saving by the prolonged absence of troops in South Africa and China is estimated at about £670,000, and there were additional receipts amounting to £135,600, which were chiefly attributable to the same cause; there were also reductions owing to the fall in the prices of food, &c., but part of the saving was devoted to special objects for promoting the efficiency of the army, and the net result was a further improvement of £169,200. In England the reduction is chiefly owing to the dislocation of the relief service, and diminished issues of furlough pay.
Military and Special Defence Works.	— *68,400*	—	+ 32,400	— *36,000*	Reduction entirely in India; in England there is an increased charge for stores.
Collection of Revenue ...	— *24,400*	— *47,700*	— *2,100*	— *74,200*	Principally under Land Revenue.
Post Office	— *44,900*	— *3,100*	— *3,300*	— *51,300*	Charges reduced £18,200; receipts increased £33,100.
Telegraph	— *85,600*	—	— *3,800*	— *89,400*	Increase of receipts.
Railway Revenue Account...	— *596,200*	— *1,000*	— *44,400*	— *641,600*	Reduction in India owing mainly to improved receipts, but partly to less land being purchased for subsidised railways than was expected. In England it is due to the lower rate of interest used in calculating the Great Indian Peninsula Railway annuity.
Irrigation	— *139,400*	— *62,500*	— *200*	— *202,100*	Improvement in receipts.
Famine Relief and Insurance	+ 908,100	— *39,300*	+ 7,900	+ 876,700	Increased expenditure on famine relief, in the Central Provinces £708,800, and in Bombay £311,900; reduction otherwise £144,000.
Law and Justice	+ 8,800	+ 41,100	— *400*	+ 49,500	Increased expenditure on jails, especially in Madras, Bengal, and Bombay; reduction in Burma, Central Provinces, and Assam.
Education	— *500*	— *40,000*	+ 1,000	— *39,500*	General reduction, especially in Bengal.
Political	— *134,900*	+ 2,700	+ 900	— *131,300*	Mainly through the subsidy of the Amir of Afghanistan being drawn at irregular intervals.
Other Civil Departments ...	— *49,800*	— *50,600*	+ 37,200	— *63,200*	Chiefly Police, Marine, and Scientific and Minor Departments.
Provincial and Local Railways.	—	— *67,000*	—	— *67,000*	Slower progress on the Mayavaram-Mutupet railway.
Other heads...	— *8,400*	— *100*	— *25,200*	— *33,700*	
Provincial and Local Balances.	—	+ 576,400	—	+ 576,400	According to the Revised Estimate, the balances of Burma will contribute to the expenditure less than was anticipated by £234,600, North-West Provinces £143,300, Bengal £107,900, Madras £76,500, Bombay £17,500, and the Punjab £800; but India General more by £100, Central Provinces £1,200, and Assam £2,900. The Government of India made special grants of £431,900 to Bombay, £227,700 to the Central Provinces, and £39,900 to the Punjab.
Total	—*1,236,900*	+ 337,000	— *121,500*	—*1,021,400*	
Combining this with the increase of the net Revenue shown in Table V., the Imperial position is better by	+ 1,370,000	—	+ 110,100	+ 1,480,100	

TABLE VII.

1901–1902.—NET REVENUE.

COMPARISON OF BUDGET ESTIMATE FOR 1901–1902 WITH REVISED ESTIMATE FOR 1900–1901.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Land Revenue	— *181,800*	+ 658,700	—	+ 476,900	Chiefly in the Punjab and Central Provinces.
Tributes	+ 56,600	+ 200	—	+ 56,800	Recovery of arrears expected in Bombay.
Opium	— *569,300*	—	— *500*	— *569,800*	Reduction of revenue £589,300; the number of chests to be sold in Calcutta has been raised from 45,300 to 48,000, but the average price is estimated at 1,100 instead of 1,361 rupees; diminution of charge £19,500.
Provincial Rates	— *400*	+ 161,400	—	+ 161,000	Chiefly in the Punjab, Central Provinces, and Bombay.
Customs	— *119,800*	—	—	— *119,800*	The yield of the sugar duties is taken at a lower figure.
Mint	— *91,500*	—	— *6,300*	— *97,800*	The profit on the coinage of rupees is excluded in both years; the diminution arises on other operations.
Miscellaneous	+ 35,400	— *107,000*	+ 3,000	— *68,600*	Temporary loans in Bombay and Central Provinces treated as irrecoverable.
Other heads	— *15,200*	— *11,000*	—	— *26,200*	
Total	— *886,000*	+ 702,300	— *3,800*	— *187,500*	

TABLE VIII.

1901–1902.—NET EXPENDITURE.

COMPARISON OF BUDGET ESTIMATE FOR 1901–1902 WITH REVISED ESTIMATE FOR 1900–1901.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Interest	— *56,700*	+ 100	— *42,500*	— *99,100*	Improvement of receipts in India, on the large loans to Native States, &c.; and reduction of charge in England, owing to the discount incurred in 1900–1901.
Army: Effective	+1,470,500	—	+ 612,700	+2,083,200	Increased expenditure in India £1,194,800; namely, for the full establishment £849,500, and for stores £140,000, reorganisation of commissariat transport service £67,200, howitzer batteries £55,400, ordnance establishments £46,700, schools for mounted infantry £43,300, and other causes £249,000; saving of expenditure owing to fall in prices £168,000, and on sea transport £88,300. Reduction of receipts in India £275,700, owing to the absence of special repayments in connection with the troops lent for service out of India. Increased charge in England £842,700, of which £60,000 is in payments to the War Office owing to the resumption of transfers to the Army Reserve on the return of troops from South Africa, £90,000 in furlough pay, £163,200 on the renewal of the Transport Service, and £530,900 on stores, chiefly ordnance. with a reduction of £1,400 on miscellaneous payments. Increase of £230,000 in receipts in England, owing to payments by the British Government for the Transport Service and Aden, in consequence of the report of the Royal Commission on Indian Expenditure.
Military and Special Defence Works.	+ 178,400	—	— *29,000*	+ 149,400	Cordite, gun carriage, and small arms factories, accommodation for howitzer battery, schools for mounted infantry, &c.
Carried forward ...	+1,592,200	+ 100	+ 541,200	+2,133,500	

TABLE VIII.—*continued.*

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Brought forward ...	+1,592,200	+ 100	+ 541,200	+2,133,500	
Collection of Revenue ...	+ 49,100	+ 137,000	+ 1,900	+ 188,000	General increase, but principally in land revenue charges in Bengal, Madras, Burma, Punjab, and North-West Provinces.
Post Office	+ 72,100	+ 3,100	+ 600	+ 75,800	Increase of expenditure and reduction of receipts, owing to various improvements.
Telegraph	+ 102,000	—	+ 19,300	+ 121,300	
Railway Revenue Account	— *500*	+ 8,700	+ 312,800	+ 321,000	Increase in net receipts £70,700, and in net expenditure £391,700, of which a large part arises from the purchase of the Great Indian Peninsula Railway.
Irrigation	+ 112,600	+ 114,200	+ 100	+ 226,900	Increased charge £99,500; reduction of revenue £127,400, owing to less demand for irrigation in a favourable season.
Famine Relief and Insurance.	—*3,196,300*	— *40,800*	— *7,900*	—*3,245,000*	The provision for relief in 1901–1902, £674,100, is almost entirely in Bombay; £75,800 is allotted to protective irrigation works, and £250,100 is set apart for avoidance of debt, making the total grant £1,000,000.
Police	+ 1,000	+ 137,200	— *400*	+ 137,800	Increase particularly in Burma.
Education	+ 500	+ 78,300	— *900*	+ 77,900	General increase, especially in Bengal and North-West Provinces.
Political	+ 218,800	— *5,300*	— *18,200*	+ 195,300	Arrears of the subsidy of the Amir of Afghanistan.
Scientific and Minor Departments.	+ 110,500	+ 12,000	— *14,300*	+ 108,200	Increase due to the Census.
Civil Works	+ 168,900	+ 380,500	+ 2,500	+ 551,900	General increase, except in Burma and Assam.
Other heads...	+ 46,700	+ 85,700	— *54,600*	+ 77,800	
Provincial and Local Balances.	—	— *208,400*	—	— *208,400*	According to the Estimates, the expenditure from Provincial and Local Balances in 1901–1902 will be heavier than in 1900–1901, in Burma by £217,300, North-West Provinces £211,900, and Bengal £190,200; while it will be less in Bombay £127,200, Madras £100,000, Punjab £89,700, Central Provinces £64,900, Assam £26,000, and India General £3,200.
Total	— *722,400*	+ 702,300	+ 782,100	+ 762,000	
Combining this with the reduction of the net Revenue shown in Table VII., the Imperial position is worse by	— *163,600*	—	— *785,900*	— *949,500*	

TABLE IX.

1898–1902.—NET REVENUE.

BUDGET FOR 1901–1902 COMPARED WITH ACCOUNT FOR 1898–1899.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Land Revenue	— *606,156*	+ 466,144	—	— *140,012*	Reduction in Bombay, North-West Provinces, and Central Provinces; increase elsewhere.
Opium	+ 537,988	— *42*	— *1,055*	+ 536,891	Increase in number of chests sold at Calcutta 8,550, and in average price 45 rupees per chest; increase of number of chests passed for export 2,000; charges heavier by £189,609.
Salt	— *136,745*	— *3,812*	—	— *140,557*	Improvement in Bengal; reduction elsewhere.
Stamps	+ 36,826	+ 112,202	—	+ 149,028	Increase in Bengal, North-West Provinces, Madras, and Burma.
Excise	+ 67,174	+ 67,305	—	+ 134,479	Increase in Bengal, North-West Provinces, and Burma; reduction in Bombay.
Provincial Rates	— *3,867*	+ 113,505	—	+ 109,638	General improvement, except in North-West Provinces and Bombay.
Miscellaneous	— *10,619*	— *209,945*	— *18,120*	— *238,684*	Receipts less by £83,357; charges heavier by £155,327, owing mainly to the remission of irrecoverable advances.
Other heads	+ 12,971	+ 32,626	— *13,297*	+ 32,300	
Total	— *102,428*	+ 577,983	— *32,472*	+ 443,083	

TABLE X.

1898–1902.—NET EXPENDITURE.

BUDGET FOR 1901–1902 COMPARED WITH ACCOUNT FOR 1898–1899.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Interest	— *164,511*	+ 37,138	+ 233,210	+ 105,837	Reduction in India in consequence of the amount transferred from the Ordinary to the Public Works portion of the debt; on account of the capital outlay exceeding the sums borrowed. Increase of charge in England £213,343, and reduction of receipts £19,867.
Army: Effective: Ordinary	+ 969,410	—	+ 705,937	+1,675,347	In 1898–1899 Expenditure was still being incurred in Military Operations on the North-West frontier. In 1901–1902 the Budget provides for the issue of new rifles to a portion of the Native troops, reorganisation of the transport service, and improvement of artillery, guns, and ammunition, as well as various minor measures for efficiency. In England the increase is on ordnance stores.
Military Operations ...	— *677,384*	—	— *17,743*	— *695,127*	
Military and Special Defence Works.	+ 123,208	—	— *36,675*	+ 86,533	Cordite, gun carriage, and small arms factories, &c.
Collection of Revenue ...	+ 127,747	+ 335,399	— *9,295*	+ 453,851	Chiefly in Land Revenue and Forest.
Post Office	+ 84,490	+ 6,142	— *13,013*	+ 77,619	Increase of expenditure £139,774, and of revenue £62,155.
Telegraph	— *25,663*	—	+ 100,978	+ 75,315	Increase of charges £188,979, chiefly on capital account, and of receipts £113,664.
Railway Revenue Account	—*1,042,391*	+ 3,615	+ 583,411	— *455,365*	Increase of net receipts £1,268,627, and of expenditure £813,262. The increase in England is to a great extent due to the purchase of the Great Indian Peninsula Railway.
Irrigation	— *25,456*	+ 125,031	— *815*	+ 98,760	Increase of revenue £177,784, and of expenditure £276,544.
Famine Relief and Insurance	+ 233,511	— *25,053*	— *1*	+ 208,457	Increased charge for relief of famine £647,397, and for protective irrigation works £68,020; reduction in other grants £506,960.
Civil Departments	+ 409,257	+ 436,980	+ 67,050	+ 913,287	Increase in Police £255,960, Minor Departments (chiefly Census) £179,975, Political (arrears of subsidy of Amir of Afghanistan) £178,609, Law and Justice £155,814, Marine (stores) £109,285, Education £94,396, Administration £24,518, and Ecclesiastical £9,345; reduction in Medical £94,615.
Superannuation	+ 4,167	+ 65,641	+ 48,281	+ 118,089	Increase in India £69,808, and in England £48,281.
Civil Works	+ 174,922	+ 668,647	+ 1,076	+ 844,645	General increase, except in Assam.
Other heads	— *30,426*	+ 85,277	— *8,209*	+ 46,642	Increase in Stationery and Printing, and Construction of Local Railways.
Provincial and Local Balances.	—	—*1,160,834*	—	—*1,160,834*	Compared with 1898–1899, the Provincial Governments have budgeted to spend from their balances more by £1,160,834; namely, Burma £453,894, North-West Provinces £433,243, Bengal £295,182, Assam £55,636, Punjab £18,834, and Madras £14,317, while India, General estimates for an expenditure smaller by £1,982, Central Provinces £40,514, and Bombay £67,776.
Total	+ 160,881	+ 577,983	+1,654,192	+2,393,056	
Setting against this the increase of net Revenue shown in Table IX., the Imperial position is worse by	— *263,309*	—	—*1,686,664*	—*1,949,973*	

TABLE XI.

SUMMARY of FINANCIAL POSITION of the last Three Years.

Net Revenue and Expenditure.	Account, 1898–99.	Account, 1899–1900.	Revised Estimate, 1900–1901.	Budget, 1901–1902.	Increase or Decrease in 1901-1902 compared with 1898–99.
	£	£	£	£	£
Net Revenue	41,879,617	40,986,698	42,510,200	42,322,700	+ 443,083
Net Expenditure :					
India : Imperial	7,740,519	7,504,306	8,623,800	7,901,400	+ 160,881
„ Provincial and Local	15,443,617	14,617,518	15,319,300	16,021,600	+ 577,983
England	16,054,608	16,090,251	16,926,700	17,708,800	+ 1,654,192
Total of Net Expenditure	39,238,744	38,212,075	40,869,800	41,631,800	+ 2,393,056
Surplus (+) or *Deficit* (—)	+ 2,640,873	+ 2,774,623	+ 1,640,400	+ 690,900	— *1,949,973*

In the following figures, which combine Revenue and Expenditure, + denotes better and — worse than in 1898–99 :—

Net Revenue and Expenditure.	Account, 1899–1900.	Revised Estimate, 1900–1901.	Budget, 1901–1902.
Net Revenue.	£	£	£
Land Revenue	— *1,102,786*	— *616,911*	— *140,012*
Opium	+ 440,281	+ 1,106,692	+ 536,891
Salt	— *240,182*	— *120,057*	— *140,557*
Stamps	+ 64,247	+ 143,827	+ 149,028
Excise	+ 27,917	+ 125,478	+ 134,479
Provincial Rates	— *114,205*	— *51,363*	+ 109,638
Customs	— *68,455*	+ 103,670	— *16,030*
Mint	+ 312,896	+ 85,613	— *12,287*
Miscellaneous	— *118,602*	— *170,084*	— *238,684*
Exchange	— *109,577*	— *31,928*	— *12,628*
Other heads	+ 15,527	+ 55,646	+ 73,245
	— *892,919*	+ 630,583	+ 443,083
Net Expenditure.			
Interest	— *31,020*	— *204,937*	— *105,837*
Army : Effective : Ordinary	+ 508,226	+ 407,853	— *1,675,347*
„ „ Warlike Operations	+ 695,127	+ 695,127	+ 695,127
Military and Special Defence Works	— *30,189*	+ 62,867	— *86,533*
Collection of Revenue	— *146,390*	— *265,851*	— *453,851*
Post Office	+ 149	— *1,819*	— *77,619*
Telegraph	+ 69,776	+ 45,985	— *75,315*
Railway Revenue Account...	+ 696,921	+ 776,365	+ 455,365
Irrigation	— *43,373*	+ 128,140	— *98,760*
Civil Departments	— *261,731*	— *391,787*	— *913,287*
Superannuation	— *54,697*	— *80,289*	— *118,089*
Famine Relief and Insurance	— *1,307,305*	— *3,453,457*	— *208,457*
Civil Works	— *221,135*	— *292,745*	— *844,645*
Other heads	— *32,144*	— *8,942*	— *46,642*
Provincial and Local Balances	+ 1,184,454	+ 952,434	+ 1,160,834
	+ 1,026,669	— *1,631,056*	— *2,393,056*
Total as compared with 1898–99	+ 133,750	— *1,000,473*	— *1,949,973*

TABLE XII.

EXPENDITURE on FAMINE RELIEF and INSURANCE.

Years.	Famine Relief.	Construction of Protective Irrigation Works.	Construction of Protective Railways.		Reduction or avoidance of Debt.	Total.
			Charged under Famine Relief and Insurance.	Charged under Railway Revenue Account.		
	£	£	£	£	£	£
15 years, 1881–82 to 1895–96.	213,776	1,209,227	4,367,287	2,420,967	3,551,533	11,762,790
1896–97	1,385,454	31,220	—	292,571	—	1,709,245
1897–98	3,550,332	25,011	—	235,299	—	3,810,642
1898–99	26,703	7,780	460,235	208,457	296,825	1,000,000
1899–1900... ...	2,074,918	23,930	—	29,599	—	2,128,447
Revised Estimate, 1900–1901.	4,225,100	19,900	—	—	—	4,245,000
Budget, 1901–1902	674,100	75,800	—	—	250,100	1,000,000
Total of 21 years	12,150,383	1,392,868	4,827,522	3,186,893	4,098,458	25,656,124

TABLE XIII.

EXCHANGE.

From 1884–85 to 1898–99 the Accounts were so prepared as to bring the English transactions into tens of rupees by adding the Exchange, and combining the result with the Indian transactions. As sovereigns have now been declared legal tender in India, and are at present interchangeable with rupees at the rate of 1 to 15 (equal to 16*d.* per rupee), it was decided that in the Accounts, with effect from the 1st of April, 1899, the Indian transactions should be converted into pounds at that rate, and the sterling transactions be added thereto, the result being given in pounds. But there will almost always be some addition or subtraction to be made on account of Exchange, owing to the extreme improbability that the remittances for the whole year will be effected at *exactly* 16*d.* per rupee, and to engagements to remit various sums at specified rates. There are also charges incurred in India for the increase of the pay of the European soldiers in India owing to the fall in Exchange, and for compensation to officers. In the following table the receipt (+) or charge (—) due to these several causes, during recent years, is shewn.

Years.	Amount required to defray Net Sterling Expenditure at		Difference between columns (2) and (3), being Exchange on Net Sterling Expenditure.		Exchange on Remittance Account.	Total of columns (5) and (6).	Other Charges for Exchange.		Grand Total (7) + (8) + (9).
	Average drawing rate.	Rupees 15 for £1.					Soldiers' Pay.	Compensation to Officers.	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)*	(10)
	Rupees.	Rupees.	Rupees.	£s. at rupees 15 = £1.	£	£	£	£	£
1883–89	214,701,880	219,788,850	+ 5,086,970	+ 339,132	+ 634,295	+ 973,427	— 344,667	—	+ 628,760
1889–90	210,259,220	217,697,320	+ 7,438,100	+ 495,874	+ 257,829	+ 753,703	— 421,267	—	+ 332,436
1890–91	201,359,210	227,652,990	+ 26,293,780	+ 1,752,919	+ 52,132	+ 1,805,051	— 391,467	—	+ 1,413,584
1891–92	225,419,890	235,751,700	+ 10,331,810	+ 688,787	+ 21,019	+ 709,806	— 271,467	—	+ 438,339
1892–93	258,090,840	241,714,620	— 16,376,220	— 1,091,748	+ 13,124	— 1,078,624	— 408,133	—	— 1,486,757
1893–94	257,928,380	234,500,420	— 23,428,960	— 1,561,930	+ 71,280	— 1,490,650	— 568,133	— 412,312	— 2,471,095
1894–95	284,030,500	232,559,730	— 51,470,770	— 3,431,384	+ 151,783	— 3,279,601	— 756,200	— 826,183	— 4,861,984
1895–96	270,651,760	230,699,300	— 39,952,460	— 2,663,497	+ 118,871	— 2,544,626	— 770,933	— 885,088	— 4,200,647
1896–97	256,909,850	232,030,930	— 24,878,920	— 1,658,594	+ 96,155	— 1,562,439	— 735,467	— 623,451	— 2,921,357
1897–98	250,171,070	240,069,010	— 10,102,060	— 673,470	+ 29,313	— 644,157	— 605,267	— 457,243	— 1,706,667
1898–99	241,234,330	240,909,540	— 324,790	— 21,653	+ 50,281	+ 28,628	— 518,933	— 319,860	— 810,165
1899–1900 ..	240,920,722	241,939,545	+ 1,018,823	+ 67,922	— 148,871	— 80,949	— 438,900	— 318,095	— 837,944
1900–1901 (Revised Estimate).	254,755,400	254,421,000	— 324,000	— 22,300	+ 19,000	— 3,300	— 438,900	— 295,200	— 737,400
1901–1902 (Budget).	263,209,500	266,209,500	—	—	+ 16,000	+ 16,000	— 438,900	— 325,300	— 748,200

* Of the Exchange Compensation, the following amounts were borne by the Provincial Governments, and did not affect the Imperial position :—1893–4, £151,673 ; 1894–5, £286,469 ; 1895–6, £302,097 ; 1896–7, £214,805 ; 1897–8, £163,073 ; 1898–9, £112,633 ; 1899–1900, £112,751 ; (Revised) 1900–1901, £109,400 ; (Budget) 1901–1902, £117,100.

TABLE XIV.

HOME CHARGES.

The following is an analysis of the net Expenditure in England charged on the Revenues of the year :—

Net Expenditure.	Account, 1899-1900.	Revised Estimate, 1900-1901.	Budget, 1901-1902.
	£	£	£
Interest and Management of Debt (excluding Interest charged in Railway Revenue Account)	2,892,009	3,102,600	3,058,500
Railway Revenue Account	5,912,527	6,144,300	6,457,100
Civil Administration : Payments on account of Departments in India, passage, outfit, &c. ..	46,699	47,500	25,800
Postal Subsidy	48,000	53,700	52,000
Telegraph : Red Sea Company's Annuity	18,027	18,000	18,000
„ Indo-European	44,947	41,700	61,100
„ Zanzibar-Mauritius	10,000	10,000	—
Public Works : Civil Engineering College	— 521	9,100	8,100
„ Other Charges	940	1,800	1,500
Marine : His Majesty's ships in Indian Seas	100,154	103,600	103,000
„ Indian Government Defence Vessels	59,600	80,000	61,600
„ Other Charges	1,361	8,000	6,500
India Civil Service : Allowances to Candidates, Examinations, &c. ..	8,713	8,000	8,200
Lunatics : Maintenance	3,505	3,200	3,100
Political Charges : Persian Mission (and in 1901-1902 Minor Consulates) ..	7,000	7,000	6,000
„ Diplomatic and Consular Establishments in China ..	12,500	12,500	—
„ Pensions : Territorial and Political	11,452	20,800	10,700
„ Other Charges	4,224	5,200	500
India Office : Salaries of Establishment	132,041	129,500	130,800
„ Auditor's Department	6,599	7,000	7,200
„ Store Department	21,466	23,400	23,000
„ Stationery, Postage, Telegrams, and other Charges	86,486	23,300	21,400
Army, Effective : Home Charges of British Forces serving in India (including in 1901-1902 receipt on account of Aden)	745,342	701,000	672,000
„ „ Troop Service and Transport	112,366	97,600	139,000
„ „ Other Charges	41,503	21,600	20,600
Stores : Civil and Public Works (including Special Defence Works) ..	239,912	242,700	209,700
„ Telegraph	88,492	162,000	172,300
„ Marine	166,855	173,000	117,500
„ Military	368,520	886,600	1,408,900
„ Miscellaneous Charges	11,115	11,000	10,000
Furlough : Civil and Marine	282,881	252,500	252,500
„ Military	304,991	247,000	326,000
„ Telegraph	4,470	4,600	4,200
„ Public Works	55,107	52,000	57,000
Non-Effective Charges : Civil and Marine	1,276,461	1,280,500	1,304,100
„ Military	3,003,559	2,989,100	2,989,600
Total	16,129,303	16,961,400	17,747,300

There is an increase in the Budget for 1901–1902, as compared with the Account for 1899–1900, of £1,043,506 in Stores, almost entirely for the Army, of £544,573 in the Railway Revenue Account, of £166,491 under Interest and Management of the Debt, and of £120,427 in other payments, against which is to be set the grant of £257,000 by the Imperial Government, in consequence of the report of the Royal Commission on Indian Expenditure ; so that the total increase in the net sterling Expenditure is £1,617,997.

The Expenditure in England not charged on the Revenues of the year, according to the Account and Estimates, is as follows :—

Expenditure.	Account, 1899-1900.	Revised Estimate, 1900-1901.	Budget, 1901-1902.
	£	£	£
Capital outlay on construction of State Railways	605,337	648,000	1,478,000
„ on Irrigation Works	10,477	6,800	5,900
Total	615,814	654,800	1,483,900

TABLE XV.

RAILWAYS.

Length of Railways in India sanctioned on 31st March 1901 ... 27,175 miles.
" " opened for traffic " " ... 25,156 "

Length opened in 1900–1901.	Miles.
Hyderabad-Godavari Valley	231
Jodhpur-Bikaner	147
Assam-Bengal	142
Burma	131
North-Western : Branches	116
Bengal and North-Western : Tirhoot Section	97
Bengal-Nagpur : Branches...	92
Oudh and Rohilkhand : Moradabad to Ghaziabad	87
Ludhiana-Dhuri Jakhal	80
Bengal Dooars	73
Shadipalli-Balotra	69
Great Indian Peninsula : Extensions ...	50
Brahmaputra-Sultanpur	35
Other lines	37
Total	1,387

Additional Length sanctioned in 1900–1901.	Miles.
Bengal-Nagpur : Branches...	253
North-Western : Khusalgarh-Kohat-Thal	88
Mayavaram-Mutupet : to Arantangi ...	45
Other lines	6
Total	392

Results of Working the Railways.

Including Capital Expenditure on Steam-boat Service and Suspense Account, but excluding other indirect charges, the following are the general results of working the Railways for the last three calendar years :—

	1898.	1899.	1900.
Miles open at end of year	21,815	23,354	24,594
Capital outlay at end of year £	178,898,605	190,562,007	200,047,206
Average cost per open mile "	8,201	8,160	8,134
Number of passengers carried ...	152,285,760	162,543,195	177,613,218
Number of tons of goods carried ...	36,297,939	40,465,859	43,095,196
Gross receipts ... ... £	18,293,450	19,581,208	20,975,435
Working expenses ... "	8,686,709	9,317,842	9,978,518
Net receipts ... ... "	9,606,741	10,263,366	10,996,917
Percentage of net receipts on capital cost	5·37	5·39	5·50

Railway Revenue Account.	Account, 1899–1900.	Revised Estimate, 1900–1901.	Budget, 1901–1902.
	£	£	£
Receipts	16,587,845	18,096,200	18,427,600
Expenditure	16,511,089	17,940,000	18,592,400
Net Charge (*or Receipt*) ...	*76,756*	*156,200*	164,800

This result is arrived at after charging in the Railway Revenue Account the following sums on account of the redemption of Capital which is included in the annuities issued for the purchase of guaranteed railways :—

	Redemption of Capital. £
Account, 1899–1900	221,700
Revised Estimate, 1900–1901	402,000
Budget, 1901–1902	590,100

TABLE XVI.

IRRIGATION WORKS.

Financial Result.	Account, 1899–1900.	Revised Estimate, 1900–1901.	Budget, 1901–1902.
	£	£	£
Major Works:			
Direct receipts	1,578,529	1,717,200	1,562,900
Portion of Land Revenue due to Irrigation	670,174	730,600	755,500
Total Revenue	2,248,703	2,447,800	2,318,400
Working Expenses	664,753	695,200	696,400
Net Revenue	1,583,950	1,752,600	1,622,000
Interest on Debt	896,749	921,800	949,300
Net Receipt	687,201	830,800	672,700
Minor Works and Navigation: net Charge	550,814	522,900	591,700
Total net Receipt ...	136,387	307,900	81,000

Capital Outlay.	To the end of 1898-99.	During 1899–1900.	Estimated in		Total to end of 1901–1902.	Percentage of net Revenue in 1899–1900 on Capital Outlay.
			1900–1901.	1901–1902.		
	£	£	£	£	£	
Bengal: Orissa Project	1,719,225	2,593	3,100	4,100	1,729,018	·01
Midnapore Canal ...	552,051	533	—	—	552,584	— ·39
Son Canals	1,722,867	— 552	700	2,100	1,725,115	2·12
N.-W. Provinces: Ganges Canal ...	1,881,425	5,314	7,100	8,100	1,901,939	11·88
Lower Ganges Canal.	2,199,520	43,932	5,100	5,900	2,254,452	4·60
„ Fatehpur Branch.	182,474	15,907	14,400	6,900	219,681	·89
Agra Canal ...	591,198	899	100	2,900	595,097	6·14
Eastern Jumna Canal.	242,381	2,357	3,800	5,600	254,138	29·52
Betwa Canal ...	272,178	4,733	8,400	3,700	289,011	— ·02
Punjab: Western Jumna Canal ...	1,056,844	28,686	4,700	4,500	1,094,730	12·73
Bari Doab Canal ...	1,166,941	7,389	16,700	37,100	1,228,130	13·62
Sirhind Canal (State outlay)	1,538,027	6,234	7,800	9,900	1,561,961	9·65
Chenab Canal	1,577,610	60,270	50,000	49,000	1,736,880	9·19
Jhelum Canal	40,130	187,726	226,500	166,500	620,856	—
Swat River Canal ...	259,003	6,512	500	—	266,015	10·07
Madras: Godavari Delta System ...	744,024	4,314	6,000	8,200	762,538	18·62
Kistna Delta System ...	833,891	12,171	14,300	17,300	877,662	16·38
Pennér River Canals System.	321,362	4,965	12,500	11,600	350,427	4·62
Periyar Project	562,196	5,021	4,100	4,600	575,917	2·59
Rushikulya Project ...	287,238	2,830	2,200	1,000	293,268	1·00
Bombay: Eastern Nara Works ...	404,413	438	2,500	8,600	415,951	9·27
Jamrao Canal	348,873	84,408	61,700	37,400	532,381	·02
Mutha Canals	426,716	1,710	200	2,500	431,126	3·70
Nira Canal	357,033	6	400	900	358,339	1·65
Burma: Mandalay Canal ...	101,264	74,914	60,000	46,700	282,878	3·15
Other Works	2,824,033	64,641	112,600	306,900	3,308,174	—
Total	22,212,917	627,951	625,400	752,000	24,218,268	6·97

The chief grants in 1901–1902 are for the Jhelum, Chenab, Mandalay, Jamrao, and Bari Doab Canals.

TABLE XVII.

CONSTRUCTION OF PUBLIC WORKS.

	Account, 1899–1900.	Revised Estimate, 1900–1901.	Budget, 1901–1902.
Outlay by Government :—	£	£	£
Not charged to Revenue :—			
State Railways	3,495,200	3,275,700	4,294,400
Irrigation	597,960	600,500	666,700
Charged to Revenue :—			
State Railways	2,356	18,200	43,200
Irrigation	29,991	24,900	85,300
	4,125,507	3,919,300	5,089,600
Outlay by Railway Companies guaranteed or subsidized by Government :—			
Old Guaranteed Companies	568,427	284,300	475,400
Other Companies guaranteed or assisted ...	1,826,606	1,948,000	2,084,700
Branch lines on firm guarantee	88,287	30,300	28,500
	2,483,320	2,262,600	2,588,600
Total outlay by Government or with Government assistance	6,608,827	6,181,900	7,678,600
Further outlay : Branch Railways not on firm guarantee	250,880	38,700	26,100
Railways outside Government accounts ...	360,967	247,600	357,500
Local Railways : Debenture capital	—	—	39,200
	611,847	286,300	422,800
Total : Railways	6,592,723	5,842,800	7,349,000
Irrigation	627,951	625,400	752,000
Grand Total	7,220,674	6,468,200	8,101,000

TABLE XVIII.

DEBT.*

	Account, 1899–1900.	Revised Estimate, 1900–1901.	Budget, 1901–1902.
	£	£	£
In India	— *119,998*	2,205,200	938,100
In England	— *1,300*	3,500,000†	1,000,000
Total	— *121,298*	5,705,200	1,938,100

* Including temporary debt, but excluding the cancelment of debt by the operation of the sinking funds.

† Excluding the liability for the debenture debt of the Great Indian Peninsula Railway Company incurred on the purchase of its undertaking.

TABLE XIX.

SEA-BORNE TRADE.

[Fifteen rupees taken as equal to £1.]

	1898-1899.	1899-1900.	1900-1901.
	£	£	£
Imports of Private Merchandise	45,586,895	47,141,242	50,851,579
Government stores	2,480,791	3,061,745	3,077,813
Total merchandise	48,067,686	50,202,987	53,929,392
Treasure—Private	11,922,638	13,972,342	10,975,739
Government	7,770	10,115	5,408,769
Total treasure	11,930,408	13,982,457	16,384,508
Total imports	59,998,094	64,185,444	70,313,900
Exports of Indian Produce and Manufactures	72,900,184	70,455,797	69,470,886
Foreign goods (re-exports)	2,247,464	2,194,994	2,139,033
Government stores	52,168	71,424	233,024
Total merchandise	75,199,816	72,722,215	71,842,943
Treasure—Private	4,938,787	5,300,027	4,982,970
Government	2,160	4,231	4,501,960
Total treasure	4,940,947	5,304,258	9,484,930
Total exports	80,140,763	78,026,473	81,327,872
Total Sea-borne trade	140,138,857	142,211,917	151,641,772

Analysis of the Imports of Merchandise.

	1898-1899.	1899-1900.	1900-1901.
Private Merchandise.			
	£	£	£
I. Animals, living	219,537	202,329	324,880
II. Articles of Food and Drink :			
Grain and Pulse	20,843	484,662	639,353
Liquors	1,098,347	1,064,985	1,077,940
Provisions	1,021,112	1,125,498	1,317,144
Salt	440,818	407,997	377,338
Spices	592,702	611,015	586,071
Sugar	2,677,999	2,251,086	3,770,144
Tea	123,296	105,762	169,141
Other articles	151,254	106,848	111,230
Total	6,126,371	6,157,853	8,048,361
III. Metals and their Manufactures :			
Copper	747,518	352,758	611,422
Iron	1,539,052	1,612,932	2,093,322
Steel	683,670	667,234	955,099
Other metals	482,590	487,579	627,814
Hardware, cutlery, implements, and sewing machines	953,416	1,060,195	1,227,543
Machinery and millwork	2,037,287	1,694,602	1,505,039
Railway plant and rolling stock (not Government stores)	1,883,210	1,851,385	894,080
Total	8,326,743	7,726,685	7,914,319
IV. Chemicals, Drugs, &c....	1,342,275	1,287,658	1,483,749

	1898–1899.	1899–1900.	1900–1901.
	£	£	£
V. Oils:			
Kerosine	1,990,581	1,959,988	2,069,225
Other kinds	377,423	324,127	435,722
Total	2,368,004	2,284,115	2,504,947
VI. Raw Materials and Unmanufactured Articles:			
Coal, coke, and patent fuel	464,253	540,143	204,493
Cotton	57,546	308,206	467,250
Ivory	141,911	70,331	105,886
Precious stones and pearls, unset	259,969	618,231	384,950
Silk	531,771	384,059	677,960
Wood	93,453	56,969	151,152
Other articles	432,348	481,766	479,386
Total	1,981,251	2,459,705	2,471,077
VII. Articles Manufactured and partly Manufactured:			
A. Yarns and textile fabrics:			
Cotton twist and yarn	1,701,089	1,633,341	1,659,476
„ piece goods	15,932,780	17,275,155	17,495,076
„ other sorts	519,278	726,254	735,675
Flax, hemp, and jute	140,401	160,287	191,632
Silk	907,862	753,221	1,110,541
Wool	1,015,821	1,172,001	1,408,384
B. Apparel, including boots and shoes ...	920,324	976,204	1,026,518
C. Other manufactured articles:			
Arms, ammunition, &c.	192,675	168,764	156,491
Carriages, carts, &c.	211,599	176,541	156,791
Glass	441,529	511,101	503,451
Instruments and apparatus	227,401	259,905	309,128
Matches	253,193	231,729	265,372
Paints and colours, and painters' materials	222,692	231,433	269,323
Paper and pasteboard	255,105	274,212	302,000
Stationery (excluding paper)	193,321	195,844	211,250
Umbrellas	162,292	182,021	180,022
Other articles	1,925,352	2,094,885	2,123,116
Total	25,222,714	27,022,897	28,104,246
Total Private Merchandise	45,586,895	47,141,242	50,851,579
Government Stores.			
Railway plant and rolling stock	1,367,367	1,684,218	1,703,631
Arms, ammunition, &c.	204,930	65,706	191,247
Metals, hardware, machinery, &c.	405,603	645,534	604,558
Other Stores	502,891	666,287	578,376
Total	2,480,791	3,061,745	3,077,812

Analysis of the Exports of Indian Produce and Manufactures.

	1898–1899.	1899–1900.	1900–1901.
	£	£	£
I. Animals, living	106,652	133,810	145,833
II. Food and Drink:			
Coffee	1,166,549	989,809	818,967
Rice	10,542,636	8,731,366	8,812,766
Wheat (including flour)	6,810,746	2,862,956	258,934
Other grain and pulse	778,330	471,167	282,525
Provisions	406,486	411,373	385,037
Spices	412,398	365,530	361,010
Sugar	132,291	224,954	113,967
Tea	5,363,203	6,061,408	6,367,287
Other articles	105,180	133,331	135,863
Total	25,717,819	20,251,894	17,536,356

	1898-1899.	1899-1900.	1900-1901.
	£	£	£
III. Metals and their Manufactures	90,899	142,778	315,360
IV. Chemicals, Drugs, Dyeing Materials, &c.:			
Opium	4,750,673	5,469,143	6,303,624
Indigo	1,980,319	1,795,007	1,423,987
Myrabolams	213,648	235,447	211,212
Saltpetre	232,897	256,196	226,355
Other articles	378,414	485,548	427,042
Total	7,555,951	8,241,341	8,592,220
V. Oils	533,925	579,099	437,679
VI. Raw Materials:			
Coal and Coke	223,535	218,674	395,912
Cotton	7,459,026	6,616,710	6,751,601
Fodder	299,313	381,006	467,588
Hemp	145,413	168,830	224,826
Hides and skins	2,770,056	4,592,233	4,659,631
Jute	4,627,497	5,381,098	7,245,171
Manures (bones, &c.)	272,268	408,581	394,228
Seeds: Castor	488,120	348,422	437,810
„ Linseed	3,421,655	3,002,145	2,970,673
„ Poppy	373,948	407,646	457,685
„ Rape	1,877,194	1,346,903	823,830
„ Til or jinjili	1,524,201	1,339,972	1,037,238
„ Other sorts	213,010	287,931	282,121
Silk	305,335	465,740	341,471
Wood: teak and other	687,918	695,384	670,188
Wool	835,655	904,250	602,006
Other articles	571,854	691,529	716,063
Total	26,095,998	27,257,054	28,478,042
VII. Articles Manufactured and partly Manufactured:			
Yarns and textile fabrics:			
Cotton twist and yarn	4,402,059	4,601,452	2,780,393
„ piece goods	705,588	841,163	955,486
„ other sorts	84,666	73,468	66,092
Jute: Gunny bags	2,261,090	2,345,919	2,957,581
„ „ cloths, rope, twine, &c. ...	1,604,483	1,830,314	2,285,486
Other kinds (silk and wool)	239,218	254,771	281,252
Other manufactured articles:			
Coir manufactures (except rope)	198,970	221,540	267,828
Hides and skins, dressed or tanned ...	2,196,090	2,383,018	2,996,123
Lac	570,995	749,877	699,865
Other articles	535,781	548,300	675,290
Total	12,798,940	13,849,822	13,965,396
Total Indian Produce and Manufactures	72,900,184	70,455,798	69,470,886

Analysis of the Re-exports of Foreign Merchandise.

	1898-1899.	1899-1900.	1900-1901.
	£	£	£
Cotton goods, including twist and yarn	906,530	896,344	831,212
Metals and their manufactures	147,630	176,976	138,789
Sugar	123,213	76,309	54,862
Tea	97,541	56,578	87,528
Wool and its manufactures	331,046	324,056	247,810
Other articles	641,504	664,731	778,832
Total	2,247,464	2,194,994	2,139,033

Movement of Treasure.

	1898–1899.	1899–1900.	1900–1901.
	£	£	£
Gold: Imports: Bullion	2,870,455	2,308,778	2,349,999
Coin	3,022,914	5,323,753	5,582,014
Total	5,893,369	7,632,531	7,932,013
Exports: Bullion	1,548,597	1,330,053	6,685,702
Coin	9,167	8,744	684,888
Total	1,557,764	1,338,797	7,370,590
Net Imports: Bullion	1,321,858	978,725	*—4,335,703*
Coin	3,013,747	5,315,009	4,897,126
Total	4,335,605	6,293,734	561,423
Silver: Imports: Bullion	5,241,673	5,959,455	7,937,025
Government Rupees	317,200	307,030	349,574
British Dollars and other Coin ...	478,166	83,441	165,896
Total	6,037,039	6,349,926	8,452,495
Exports: Bullion	3,035	18,743	124,005
Government Rupees	1,344,918	954,711	934,686
British Dollars	2,028,383	2,977,902	1,013,428
Other Coin	6,847	14,105	42,221
Total	3,383,183	3,965,461	2,114,340
Net Imports: Bullion	5,238,638	5,940,712	7,813,020
Government Rupees ...	*— 1,027,718*	*— 647,681*	*— 585,112*
British Dollars and other Coin	*— 1,557,064*	*— 2,908,566*	*— 889,753*
Total	2,653,856	2,384,465	6,338,155
Net imports of treasure on private account	6,983,850	8,672,315	5,992,769
„ „ by Government	5,611	5,884	906,809
Total	6,989,461	8,678,199	6,899,578
Value of Fractional silver coined	186,937	616,111	77,961
„ Rupees coined for the Government of India ...	—	867,872	11,429,476
„ British dollars coined	3,259,255	4,650,603	1,432,550
„ Coinage for Native States	278,640*	—	2,478

* For Bhopal and Kashmir.

Shipping.

	1898–1899.		1899–1900.		1900–1901.	
	No.	Tons.	No.	Tons.	No.	Tons.
Vessels with cargoes entered ...	3,508	3,303,627	3,301	3,413,391	2,993	3,147,125
„ cleared ...	4,362	4,404,961	3,820	4,024,482	3,710	3,890,193

TABLE XX.

ASSETS AND LIABILITIES, MARCH 31ST, 1901.

Assets.	£	*Liabilities.*	£
Railways constructed by the State	71,737,000	Debt in India	76,886,000
„ purchased „ „	85,394,000*	„ England	133,435,000
Irrigation Works	23,466,000	Other obligations	15,564,000
Loans to Corporations, &c.... ...	12,433,000		225,885,000
Advances to Railway Companies...	8,846,000		218,944,000
Cash Balances in India	10,823,000		
„ „ England... ...	3,717,000		
	216,416,000	Excess of Liabilities over Assets, in India and in England	9,469,000

* This figure represents the capital expenditure by Companies on six Railways previous to their purchase by the State. Two were bought with cash obtained by the creation of debt in England; the others partly by the creation of such debt, but mainly by means of Annuities expiring respectively in 1953, 1957, 1958, and 1948, and at present amounting altogether to about £2,987,000. It is calculated that in 1901–2 the portion paid on account of redemption of capital will be about £590,000. In accordance with the several Acts of Parliament regulating the annuities, they are charged on and payable out of the Revenues of India, to which the earnings of the purchased railways are credited.

TABLE XXI.

BURDEN OF TAXATION.

	Account, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.
	£	£	£
Salt	5,573,800	5,693,900	5,673,400
Stamps	3,225,900	3,305,500	3,310,700
Excise	3,810,500	3,908,100	3,917,100
Provincial Rates	2,495,500	2,558,300	2,719,300
Customs	3,058,800	3,231,000	3,111,200
Assessed Taxes	1,292,700	1,300,900	1,296,700
Registration	287,200	311,400	300,400
Total	19,744,400	20,309,100	20,328,800
According to the census taken in 1901, the population of British India was 231,085,000. On this basis, and allowing for the increase of population at the rate of two-fifths of one per cent. per annum, the payment per head, on the assumption that the whole of the taxation from Salt, Excise, Customs, &c., is paid by the inhabitants of British India, is...	*s. d.* 1 $8\frac{1}{2}$	*s. d.* 1 9	*s. d.* 1 9
If the payment of Land Revenue be added, the average becomes	3 $1\frac{3}{4}$	3 $2\frac{3}{4}$	3 3

APPENDIX II.

STATEMENT showing the Principal FIGURES in the INDIAN ACCOUNTS for 1898-1899 and 1899-1900, and ESTIMATES for 1900-1901 and 1901-1902, with Explanations.

REVENUE AND EXPENDITURE.	Accounts, 1898-99.	Accounts, 1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.	REMARKS.
	£	£	£	£	
Revenue	67,595,815	68,637,164	75,166,000	72,191,900	The result of 1899-1900 was better than that of 1898-1899 by £133,750.
Expenditure charged on the Revenue of the year.	64,954,942	65,862,541	73,525,600	71,501,000	The estimated result of 1900-1901 is worse than that of 1899-1900 by £1,134,223.
Surplus	2,640,873	2,774,623	1,640,400	690,900	The estimated result of 1901-1902 is worse than that of 1900-1901 by £949,500.
Total Expenditure, Imperial and Provincial, during the Year.	63,976,708	66,068,761	73,499,800	71,683,600	In 1898-1899 and 1900-1901 the Provincial Governments did not spend their full income. On the other hand, in 1899-1900, and according to the Budget Estimate for 1901-1902, they spent, or are expected to spend, from their accumulated balances, a portion of the unspent income of former years, in addition to the income of the current year.
Portion thereof defrayed by Provincial Governments from their Balances.	—	*206,220*	—	*182,600*	
Portion of allotments to Provincial Governments unspent by them, and added to their Balances.	978,234	—	25,800	—	
Expenditure charged on the Revenue of the year.	64,954,942	65,862,541	73,525,600	71,501,000	

LIBRARY OF THE ... BOMBAY

STATEMENT showing the Principal Figures in the Indian Accounts for 1898–1899 and 1899–1900,

REVENUE.	Accounts, 1898–99.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.	REMARKS.
PRINCIPAL HEADS OF REVENUE:	£	£	£	£	
Land Revenue	18,306,208	17,205,056	17,695,800	18,170,600	In 1899–1900 the reduction arose from the famine, in Bombay, Punjab, Central Provinces, Madras, and North-West Provinces, while in Burma there was a material increase. In 1900–1901 there was a considerable improvement in Madras, and to a less extent in Bombay, the Punjab, and Burma. In 1901–1902 it is anticipated mainly in the Punjab and Central Provinces.
Opium	3,816,887	4,401,982	5,132,000	4,542,700	The number of chests sold monthly in Calcutta was 3,250 in 1898, 3,400 in 1899, 3,700 in 1900, and was raised to 4,000 in January 1901. The average price per chest was 1,055 rupees in 1898–1899, 1,221 in 1899–1900, 1,361 in 1900–1901, and is estimated at 1,100 rupees in 1901–1902. The number of chests of Malwa opium passed for export was 24,000 in 1898–1899, 25,492 in 1899–1900, and is estimated at 25,912 in 1900–1901, and 26,000 in 1901–1902. The duty is 500 rupees per chest.
Salt...	6,066,581	5,850,463	5,951,100	5,937,900	The duty on salt is 2½ rupees a maund throughout India (except in Burma, where it is one rupee a maund). In 1898-99 there was a general revival of trade, and there were unusually large credit sales in Madras. The receipts in later years were affected by the famine.
Stamps	3,198,433	3,265,476	3,343,700	3,347,300	The increase occurs especially in Bengal and the North-West Provinces.
Excise	3,828,948	3,859,942	3,957,000	3,967,100	There is a general improvement, particularly in Bengal, the North-West Provinces, and Burma, but in Bombay there was a large reduction in 1899–1900, and again in 1900–1901

and Estimates for 1900–1901 and 1901–1902, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1898–1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.	REMARKS.
DIRECT DEMANDS ON THE REVENUES:	£	£	£	£	
Refunds and Drawbacks	202,889	190,402	214,900	191,800	In the Net Statement on page 52 these charges have been deducted from the various heads of revenue to which they relate. There were special refunds in Bombay in 1900–1901; and in 1899–1900 the salt compensations were unusually heavy.
Assignments and Compensations.	1,013,420	1,057,692	1,033,700	1,049,900	
CHARGES IN RESPECT OF COLLECTION:					
Land Revenue	2,703,038	2,748,739	2,831,000	2,941,000	In 1899–1900 the increase was chiefly in Bombay, Madras, and Burma. In 1900–1901 it occurred in Burma, Madras, the North-West Provinces, and Bombay. In 1901-1902 it is general, except in Bombay, but chiefly in Bengal, Madras, and Burma.
Opium	1,582,191	1,727,154	1,791,300	1,771,800	In 1898–1899 the payments were reduced, owing to a poor poppy crop.
Salt...	310,467	331,756	338,100	361,600	In 1899–1900 the increase was mainly in Madras, Bombay, and Bengal. In 1900–1901 and 1901–1902 there are large local purchases in Madras.
Stamps	98,455	101,289	102,500	106,000	
Excise	162,009	161,509	163,500	175,400	In 1901-1902 the increase is general.

STATEMENT showing the Principal Figures in the Indian Accounts for 1898–1899 and 1899–1900,

REVENUE.	Accounts, 1898–1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.	REMARKS.
PRINCIPAL HEADS OF REVENUE—*continued.*	£	£	£	£	
Provincial Rates	2,614,762	2,498,783	2,561,800	2,722,600	The reduction in 1899–1900 was due to suspensions on account of the famine, chiefly in Bombay, the Punjab, the North-West Provinces, and the Central Provinces. In the last there was a further falling off in 1900–1901, but an improvement in most other parts, especially Madras. The Budget for 1901–1902 contemplates a general increase, particularly in the Punjab and Central Provinces.
Customs	3,201,441	3,133,791	3,324,100	3,188,000	In 1899-1900 there was a considerable diminution of the receipts, both on exports of rice from Burma, which were diverted to India owing to the famine, and on imports of silver and petroleum; but the reduction on the latter was more than covered by increased imports of cotton goods and the countervailing duties on sugar. In 1900–1901 there was a large increase owing to abnormal imports of sugar, and also from the duty on oils, raw materials, and manufactured articles, but a decline in the imports of silver and cotton goods. The reduction in 1901–1902 is expected in the imports under most heads.
Assessed Taxes	1,281,461	1,300,295	1,308,000	1,304,000	An Income Tax of 5 pies in the rupee (equal to 6¼*d.* in the £, or 2·6 per cent.) is imposed on incomes of 2,000 rupees a year and upwards, and a tax of 4 pies in the rupee (equal to 5*d.* in the £, or about 2 per cent.) on incomes below 2,000 rupees and not less than 500 rupees a year, if derived from salaries, pensions, profits of companies, or interest on securities; other incomes are assessed on a scale varying from 1⅓ to 2⅔ per cent.; incomes derived from agriculture, being already liable to pay the Provincial Rates imposed on land in 1877–1878, are exempted from this Income Tax.
Forest	1,239,912	1,235,425	1,279,600	1,254,400	In 1900–1901 there were special receipts in Bombay from famine grass operations.
Registration	294,117	288,089	312,200	301,400	
Tributes from Native States.	606,468	615,028	578,300	640,900	The reduction in 1900–1901 arises from the postponement of the payment of tributes in Kathiawar, which it is hoped to recover in the current year.
TOTAL ... £	44,455,218	43,654,330	45,443,600	45,376,900	

and Estimates for 1900-1901 and 1901-1902, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1898-1899.	Accounts, 1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.	REMARKS.
DIRECT DEMANDS ON THE REVENUES — *continued.*					
CHARGES IN RESPECT OF COLLECTION—*continued.*	£	£	£	£	
Provincial Rates	37,158	35,461	34,500	50,400	The increase in 1901-1902 occurs in Bengal, where much valuation work is expected in several districts.
Customs	143,295	153,953	162,300	164,700	The increase in 1899-1900 is mainly attributable to the payment of over-time allowance. In 1900-1901 it is partly due to the same cause, and partly to the re-organisation of the department in Madras.
Assessed Taxes	21,875	22,158	22,400	24,300	
Forest	660,478	730,175	743,200	760,300	The increase in 1899-1900 was spread over almost all the provinces; it occurred chiefly in the Punjab in consequence of high rates and various exceptional causes, and in Bombay and the Central Provinces owing to a scheme for supplying fodder to cattle in the famine-stricken districts, the charges for which were in part met by special receipts. The increase in 1900-1901 arises from this cause in Bombay, and from active operations in Burma, to which also the increase in 1901-1902 may be attributed.
Registration	165,674	163,799	170,800	172,600	
TOTAL ... £	7,100,949	7,424,087	7,608,200	7,769,800	

STATEMENT showing the Principal Figures in the Indian Accounts for 1898-1899 and 1899-1900,

REVENUE.	Accounts, 1898-1899.	Accounts, 1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.	REMARKS.
	£	£	£	£	
INTEREST	706,285	605,815	646,400	682,300	In 1898-1899 there was an exceptional increase, owing to the Bombay Port Trust paying on the 31st of March 1899 the interest due on the 1st of April.
POST OFFICE	1,276,045	1,308,315	1,353,600	1,338,200	From 1893-1894 the revenue of the Post Office has exceeded the expenditure. The decrease expected in 1901-1902 is owing to reduction of the rates for parcels.
TELEGRAPH	720,536	832,673	890,100	834,200	From 1888-1889 to 1900-1901 the receipts (except in 1890-91) exceeded the expenditure in the Telegraph department. There was in 1899-1900 and 1900-1901 an abnormal use of telegrams in connection with the wars in South Africa and China, and the movements of grain due to the famine.
MINT	51,954	345,091	3,078,500	32,500	The increase in 1899-1900 arose from the coinage of rupees in consequence of the great demand for them, and also of British dollars, and of copper coin needed at the relief works. In 1900-1901 the net profit from the coinage of rupees, which was very large, is entered on both sides of the estimate, it having been decided that from the 1st of April 1900 the revenue so obtained shall be paid to a Gold Reserve Fund. As the amount is quite uncertain, and does not affect the surplus, it is in the Budget for 1901-1902 omitted from both sides.

and Estimates for 1900–1901 and 1901–1902, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1898–1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.	REMARKS.
INTEREST.	£	£	£	£	
Interest on Debt	6,595,732	6,674,637	7,098,900	7,221,300	
Deduct amount chargeable to Railways;	*4,047,632*	*4,184,535*	*4,378,400*	*4,549,300*	
and to Irrigation Works	*875,129*	*896,749*	*921,800*	*949,300*	
Remainder chargeable on Ordinary Debt.	1,672,971	1,593,353	1,798,700	1,722,700	In 1899-1900 there was a reduction of £168,023 in India in consequence of the transfer of debt to the Public Works portion; but in England the charge was increased by £88,405. In 1900–1901 the increase occurred in England, mainly owing to the discount of £143,000 on the issue of £3,000,000 India Stock.
Interest on other Obligations.	344,577	354,745	363,900	376,700	The increase is chiefly on Savings Bank balances.
TOTAL ... £	2,017,548	1,948,098	2,162,600	2,099,400	
POST OFFICE	1,150,126	1,182,247	1,229,500	1,289,900	The increase is partly due to administrative improvements long needed in the Presidency and District Offices, and partly to the normal expansion of the department.
TELEGRAPH	684,421	726,782	808,000	873,400	The increase is largely due to the capital expenditure rendered necessary by the opening of new railways and canals, and by other extensions of the telegraph lines.
MINT	75,667	55,908	3,016,600	68,500	*See* note on page 34.

STATEMENT showing the Principal Figures in the Indian Accounts for 1898–1899 and 1899–1900,

REVENUE.	Accounts, 1898–1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.	REMARKS.
CIVIL DEPARTMENTS:	£	£	£	£	
Law and Justice	451,611	462,922	474,200	461,400	The improvement in 1899–1900 and 1900–1901 is in the sale proceeds of jail manufactures.
Police	290,803	284,190	298,900	296,500	
Marine	127,109	136,454	154,300	127,900	In 1899–1900 there were exceptional credits for the hire of vessels to convey troops to Africa, Ceylon, and Mauritius. In 1900–1901 the increase was mainly in pilotage receipts in Bengal, and coast light dues in Burma.
Education	153,898	158,326	164,200	168,100	
Medical	57,548	62,569	62,400	63,700	
Scientific and other Minor Departments	70,055	80,583	84,000	92,100	The increase in 1899–1900 and 1900–1901 was largely due to the sale of quinine in Madras and Bengal respectively. In 1901–1902 it arises from the expected sale of aluminium ware in Madras.
TOTAL ... £	1,151,024	1,185,044	1,238,000	1,209,700	

and Estimates for 1900–1901 and 1901–1902, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1898–1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.	REMARKS.
CIVIL DEPARTMENTS:	£	£	£	£	
General Administration ...	1,306,782	1,384,076	1,336,700	1,331,300	In 1899–1900 there were exceptional payments in England, of £57,600 for the purchase of land, &c., under the India Office (Store Depôt) Act, and of £5,000 for the installation of electric light at the India Office.
Law and Justice	2,735,297	2,765,684	2,920,700	2,900,900	In 1900–1901 the increase arose from the high prices and larger jail population caused by the famine, and from the formation of a Chief Court in Burma.
Police	2,787,143	2,851,296	2,913,400	3,048,800	In 1899–1900 the increase took place in the Punjab, North-West Provinces, Bombay, and Madras. In 1900–1901 it occurred in most provinces, especially the North-West Provinces, Bombay, and Burma. In 1901–1902 it is chiefly due to the increase and re-armament of the special police in Burma, but there is an increase in all parts except Bombay and the Central Provinces.
Marine	428,824	533,892	601,800	538,900	In 1899–1900 and 1900–1901 there were heavy payments in England, on account of the new troopship "Hardinge." In 1901–1902 provision is made for lightships in Burma.
Education	1,065,702	1,086,119	1,092,500	1,174,300	The increase in 1901–1902 is general, and arises especially in Bengal and North-West Provinces.
Ecclesiastical	113,955	114,064	†115,100	123,300	
Medical	1,077,763	944,604	945,000	989,300	The special expenditure in 1898–1899 caused by the plague was much reduced in the following year. The increase in 1901–1902 is due to expenditure in Bengal for the prevention of the plague.
Political	601,991	721,836	585,300	780,600	The variations arise mainly from irregularity in the drawing of the subsidy of the Amir of Afghanistan.
Scientific and other Minor Departments.	369,380	381,017	455,100	571,400	The increase is owing to the census, the cost of which is estimated at £48,800 in 1900–1901 and £120,700 in 1901–1902.
TOTAL ... £	10,486,837	10,782,588	10,965,600	11,458,800	

STATEMENT showing the Principal Figures in the Indian Accounts for 1898–1899 and 1899–1900,

REVENUE.	Accounts, 1898–1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.	REMARKS.
MISCELLANEOUS:	£	£	£	£	
Superannuation	208,568	204,761	195,800	196,300	
Stationery and Printing...	58,083	59,659	60,400	60,900	
Exchange	28,628	—	—	16,000	The gain is chiefly in connection with the remittances made for the Railway Companies at fixed rates of exchange. *See* the explanation on page 3.
Miscellaneous	383,957	293,406	270,300	300,600	The receipts in 1898–1899 were exceptionally increased by recoveries on account of expenditure on famine relief. The reduction in 1899–1900 was due partly to the absence of such receipts, and partly to the transfer of Berbera, Bulhar, and Zaila, to the Foreign Office.
TOTAL ... £	679,236	557,826	526,500	573,800	

and Estimates for 1900–1901 and 1901–1902, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1898–1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.	REMARKS.
MISCELLANEOUS:	£	£	£	£	
Territorial and Political Pensions.	287,340	277,010	282,200	273,700	
Civil Furlough Allowances.	260,072	283,525	253,000	253,100	In consequence of the previous restriction, owing to the famine and plague, an exceptionally large number of officers took leave to England in 1899–1900.
Superannuation	2,653,579	2,704,469	2,721,200	2,759,400	The increase arises in the pensions, both in India and in England, on account of the various special departments.
Stationery and Printing...	477,399	512,554	526,500	525,000	In 1899–1900 the increase occurred principally in Bombay and Bengal.
Exchange	—	80,949	3,300	—	See the explanations on pages 3 and 40 of this Memorandum. The charge in 1899–1900 was mainly due to the transactions of the Burma and East Indian Railways.
Miscellaneous	165,973	194,024	222,400	321,300	In 1899–1900 the increase was due to the remission of advances to cultivators in the North-West Provinces, and to the refund to municipalities in Bengal of charges for plague camps. In 1900-1901 it is partly owing to frequent remittances of coin rendered necessary by the low balances; and in both that year and 1901–1902 to many advances in consequence of the famine being written off as irrecoverable, chiefly in Bombay and the Central Provinces.
TOTAL ... £	3,844,363	4,052,531	4,008,600	4,132,500	
FAMINE RELIEF AND INSURANCE:					
Famine Relief	26,703	2,074,918	4,225,100	674,100	

The following table shows the extent to which, according to the Accounts and Estimates, Expenditure for the relief of famine has been, or is being, incurred in the several Provinces :—

—	1898-1899.	1899-1900.	1900-1901.	1901-1902.	4 years.
	£	£	£	£	£
Bombay	16,778	776,072	1,968,800	666,100	3,427,750
Central Provinces	5,459	1,029,946	1,908,800	6,700	2,950,905
Punjab	51	156,776	162,600	—	319,427
India General (Ajmere, Baluchistan, &c.)	955	100,664	140,800	1,300	243,719
Bengal	2,152	915	20,100	—	23,167
Madras	1,277	2,184	13,400	—	16,861
North-West Provinces.	— 34	4,644	2,700	—	7,310
Burma	64	—	—	—	64
England	1	3,717	7,900	—	11,618
	26,703	2,074,918	4,225,100	674,100	7,000,821

Construction of Protective Railways.	460,235	—	—	—	In 1898–99 the funds were devoted to the construction of the Bezwada-Madras and East Coast Railways and the Godavari bridge; there was a small refund from the Guntakal Mysore Frontier line, and a large one of £130,586 from the South Indian Railway. In 1898–1899 £208,457, and in 1899–1900 £29,599, though included in the Railway Revenue Account, are treated as chargeable against Famine Insurance, as they represent the net charge on account of protective railways constructed through the agency of companies.

STATEMENT showing the Principal Figures in the Indian Accounts for 1898-1899 and 1899-1900,

REVENUE.	Accounts, 1898-1899.	Accounts, 1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.	REMARKS.
	£	£	£	£	
RAILWAYS:					
State Railways: Gross Receipts.	13,075,980	14,653,223	16,867,900	17,408,900	In 1899-1900 there was an increase of £379,788 on the East Indian, £328,033 on the Rajputana-Malwa, £224,094 on the Bengal-Nagpur, £140,242 on the East Coast, £131,584 on the Eastern Bengal, £108,021 on the Indian Midland, £102,337 on the Bengal and North-Western and Tirhoot, £86,580 on the Southern Mahratta, £82,503 on the Oudh and Rohilkhand, £52,830 on the Burma, and £15,376 on other lines, while on the North-Western Railway there was a reduction of £74,145. In 1900-1901 a large part of the increase was only nominal, since £1,858,682 arose on the Great Indian Peninsula Railway, which was transferred from the Guaranteed to the State Railways on its purchase by the Government. There were estimated improvements of £115,334 on the Burma, £113,013 on the East Indian, £101,070 on the Indian Midland, £83,819 on the Bengal-Nagpur, £55,153 on the Eastern Bengal, £21,240 on the East Coast, £18,399 on the Mysore, £18,279 on the Oudh and Rohilkhand, and £13,344 on other lines, while a decrease is expected of £193,656 on the North-Western Railway, which suffered from the famine. In 1901-1902 the increase anticipated is £507,500 on the Great Indian Peninsula (the estimate including a whole year instead of nine months in 1900-1901), £240,000 on the North-Western, £153,300 on the Bengal-Nagpur, £40,000 on the Oudh and Rohilkhand, £26,700 on the Bengal and North-Western and Tirhoot, and £46,900 on other lines; but allowance is made for a decrease of £73,400 on the Indian Midland, and £266,700 on the Rajputana-Malwa Railways, as the exceptional traffic of last year is not expected to continue, and of £133,300 on the East Coast line, of which the northern section has been transferred to the Bengal-Nagpur Railway Company.

and Estimates for 1900–1901 and 1901–1902, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1898–1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.	REMARKS.
FAMINE RELIEF AND INSURANCE—*continued.*	£	£	£	£	
Construction of Protective Irrigation Works.	7,780	23,930	19,900	75,800	The outlay has been chiefly on the Betwa, Rushikulya, Swat River, and Nira Canals, and Maladevi Tank. The Budget provides for expenditure on the Trebeni Canal, and any other schemes likely to be ready for commencement of work.
Reduction or Avoidance of Debt.	296,825	—	—	250,100	Money employed in the avoidance of debt which would otherwise be incurred for railways.
TOTAL ... £	791,543	2,098,848	4,245,000	1,000,000	The total expenditure on Famine Relief and Insurance, including that charged in the Railway Revenue Account, was £1,000,000 in 1898–1899, and £2,128,447 in 1900–1901. In the Estimates there is no additional charge for protective railways constructed by companies.
RAILWAY REVENUE ACCOUNT:					
State Railways: Working Expenses.	6,656,861	7,147,804	8,394,600	8,655,300	In 1899–1900 the expenses were higher on the East Indian by £114,304, Bengal and North-Western and Tirhoot £104,679, Bengal-Nagpur £64,259, East Coast £61,876, Rajputana-Malwa £53,466, Southern Mahratta £43,135, Eastern Bengal £41,885, and Indian Midland £37,039, while on other lines a reduction of £29,700 occurred. In 1900–1901 an increase of £864,686 was caused by the transfer of the Great Indian Peninsula Railway to this head; and the payments were enhanced on the Rajputana-Malwa line by £74,620, owing to the new contract, Bengal and North-Western and Tirhoot £65,751, Burma £56,411, Eastern Bengal £55,153, Oudh and Rohilkhand £50,391, Bengal-Nagpur £41,286, Indian Midland £23,254, Mysore £15,683, and other lines £39,831, but there was a reduction of £40,270 on the East Indian Railway. In 1901–1902 there are increases of £270,300 on the Great Indian Peninsula Railway, which is now included for twelve instead of nine months, of £126,700 on the North-Western, £109,800 on the Bengal-Nagpur, £20,000 on the Oudh and Rohilkhand, £20,000 on the South Indian, and £24,200 on other lines, with reductions on the Bengal and North-Western and Tirhoot £32,000, Indian Midland £35,000, East Coast £90,000 (owing to the transfer of the Northern section to the Bengal-Nagpur Company), and Rajputana-Malwa system £153,300. The payments included under this head to companies for their share of surplus profits or net earnings of the lines worked by them, including contributions to the Provident Fund, are, for the four years, as follows, according to the accounts and estimates :—

Railways.	1898–1899.	1899–1900.	1900–1901.	1901–1902.
	£	£	£	£
East Indian -	204,884	229,389	152,300	143,300
Rajputana-Malwa -	72,905	100,817	87,800	—
Bengal Central - -	6,649	7,172	10,000	10,000
Mysore - -	6,845	5,472	7,700	6,000
Southern Mahratta -	26,839	31,719	35,700	30,000
South Indian	19,244	23,053	28,000	16,700
Lucknow-Bareilly -	4,705	8,833	6,900	6,900
Burma - -	16,539	8,556	22,300	22,000
Indian Midland - -	—	—	2,600	—
Bengal-Nagpur - -	—	—	—	16,500
Brahmaputra Sultanpur -	—	—	—	400
Hardwar-Dehra- -	—	—	—	1,700
Total -	352,610	415,011	353,300	253,500

STATEMENT showing the Principal Figures in the Indian Accounts for 1898–1899 and 1899–1900,

REVENUE.	Accounts, 1898–1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.	REMARKS.
RAILWAYS—*continued.*	£	£	£	£	
Guaranteed Companies: Net Traffic Receipts.	2,055,115	1,907,215	1,202,400	985,000	In 1899–1900 the net receipts of the Great Indian Peninsula railway were worse by £152,794. The transfer of the Great Indian Peninsula system to the class of State railways, on its purchase by the Government, caused a reduction under this head of £607,272 in 1900–1901, and of £325,700 in 1901–1902. In the Estimate for 1900–1901 the Bombay and Baroda line shows a falling-off by £104,446. In 1901–1902 the net receipts of that and the Madras railways are expected to improve by £76,700 and £31,600, respectively.

and Estimates for 1900–1901 and 1901–1902, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1898-1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.	REMARKS.
RAILWAY REVENUE ACCOUNT—*continued.*	£	£	£	£	
State Railways: Interest on Debt.	3,740,029	3,845,281	4,014,800	4,174,900	The increase in India, in consequence of the progress of construction, was £112,515, £75,162, and £66,100 in the three years, respectively. Owing to the purchase of the Great Indian Peninsula Railway, there was in England an additional charge of £98,000 in 1900–1901 for half a year's interest on its debenture debt, which in 1901–1902 is increased to £195,900 for the full payment.
State Railways: Annuities in purchase of Railways.	1,714,016	1,718,591	2,357,100	2,995,200	The increase in 1900–1901 and 1901–1902 is due to the purchase of the Great Indian Peninsula Railway by means of an annuity.
State Railways: Interest chargeable against Companies on Advances.	307,603	339,254	363,600	374,400	This is that portion of the interest on debt which is charged in the accounts against the Southern Mahratta, Indian Midland, Bengal-Nagpur, Bengal Central, and Lucknow-Bareilly railway companies, on account of advances made to them for the construction of lines through their agency, or for the discharge of debentures, instead of the companies raising the money by the issue of their debentures guaranteed by the Government. The increase is mainly due to advances in India for the extension of the Bengal-Nagpur line.
State Railways: Interest on Capital deposited by Companies.	822,876	855,152	935,700	1,129,100	The figures represent interest on capital deposited, or debenture capital issued, by the Indian Midland, Southern Mahratta, Bengal-Nagpur, Assam-Bengal, South Indian, Bengal Central, Lucknow-Bareilly, East Indian, Burma, Great Indian Peninsula, Hardwar-Dehra, Brahmaputra-Sultanpur, and Mayavaram-Mutupet railway companies. In the three years there is an increase of £37,008 in India, chiefly for the Burma and Bengal-Nagpur lines, and of £269,216 in England, mainly for the East Indian, Great Indian Peninsula, Bengal-Nagpur, South Indian, and Assam-Bengal railways.
Guaranteed Companies: Surplus Profits, Land, and Supervision.	265,489	343,400	201,900	130,300	The moiety of surplus profits payable to the Companies, including the contributions to the Provident Funds, appears as follows in the accounts and estimates:—

	1898-99.	1899-1900.	1900-1901.	1901-02.
	£	£	£	£
Bombay and Baroda ..	137,785	150,387	103,400	126,700
Great Indian Peninsula	96,600	129,205	98,100	—
Madras ..	6,845	671	—	—
£	241,230	280,263	201,500	126,700

In 1899–1900 there was a considerable payment for land for the Calicut-Cannanore extension of the Madras railway.

Guaranteed Companies: Interest.	2,167,998	2,180,895	1,597,600	1,016,500	The reduction in 1900–1901 and 1901–1902 is due to the transfer of the Great Indian Peninsula line to the head of State Railways.

STATEMENT showing the Principal Figures in the Indian Accounts for 1898–1899 and 1899–1900,

REVENUE.	Accounts, 1898–1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.	REMARKS.
RAILWAYS—*continued.*	£	£	£	£	
Subsidized Companies: repayment of Advances of Interest.	29,439	27,407	25,900	33,700	The figures represent the recovery in India from the Mysore State, on account of the excess of interest on the capital outlay upon its line over the net receipts of the railway, and also, in the Budget, from the Travancore State of its share of interest for the Tinnevally-Quilon railway; and in England the receipt from the Rohilkund and Kumaon Railway Company, of the Government share of surplus profits.
TOTAL ... £	15,160,534	16,587,845	18,096,200	18,427,600	
IRRIGATION:					
Major Works: Direct Receipts.	1,475,287	1,578,529	1,717,200	1,562,900	The want of rain caused in 1899–1900 and 1900–1901 an unusual requirement for water from the canals in the North-West Provinces and from some of those in the Punjab. There is in all the three years a great increase in the receipts from the Chenab Canal.
Major Works: Portion of Land Revenue due to Irrigation.	672,505	670,174	730,600	755,500	The improvement in 1900–1901 occurred mainly on the Godavari works and the Chenab Canal.
Minor Works and Navigation.	160,924	151,159	166,100	168,100	
TOTAL ... £	2,308,716	2,399,862	2,613,900	2,486,500	

and Estimates for 1900–1901 and 1901–1902, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1898–1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902	REMARKS.
RAILWAY REVENUE ACCOUNT—*continued.*	£	£	£	£	
Subsidized Companies: Land, &c.	69,603	38,096	19,500	61,200	These figures include compensation for land taken up for numerous companies constructing railways on branch line terms (of which five projects appear for the first time in the Budget), and also a subsidy to the Dibru-Sadiya Company.
Miscellaneous Expenditure.	36,224	42,616	55,200	55,500	Chiefly for surveys, and for Director-General's and other Establishments. The principal charges for surveys and land were for the Sakri-Jainagar, Mysore and West Coast, Bara-Ajmere and Marwar, Kohat-Bannu, Kundwa-Akola-Basim, Midnapur-Jherriah, Ranaghat-Ganges and Katihar, South Shan States, Pegu-Moulmein, Allahabad-Jaunpur, Vizianagram-Raipur, Ludhiana-Dhuri-Jakhali, and Dacca-Mymensingh lines.
TOTAL ... £	15,780,699	16,511,089	17,940,000	18,592,400	
IRRIGATION:					
Major Works: Working Expenses.	626,929	664,753	695,200	696,400	The increase arose especially on the Chenab Canal.
Major Works: Interest on Debt.	875,129	896,749	921,800	949,300	The increase arises from further capital outlay.
Minor Works and Navigation.	626,898	701,973	689,000	759,800	The increase in 1899–1900 was largely due to the transfer to this head of the cost of various famine relief works, reckoned at ordinary rates; but also there was larger outlay in all provinces except Bengal. In 1901–1902 the proposed increase occurs chiefly in Burma.
TOTAL ... £	2,128,956	2,263,475	2,306,000	2,405,500	

STATEMENT showing the Principal Figures in the Indian Accounts for 1898–1899 and 1899–1900,

REVENUE.	Accounts, 1898–1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.	REMARKS.
OTHER PUBLIC WORKS:	£	£	£	£	
Military Works	36,156	34,780	36,200	36,100	The receipts are usually derived from the rents of buildings and sale of old materials.
Civil Works	433,827	406,100	408,900	404,300	The receipts are mostly derived from rents, sale of stores, proceeds of workshops, tolls, and ferries. In 1898–1899 there were exceptional receipts in Bombay, the North-West Provinces, and Assam.
TOTAL ... £	469,983	440,880	445,100	440,400	
ARMY SERVICES:					
Army: Effective	514,245	643,090	759,500	713,800	The increase in 1899–1900 and 1900–1901 was caused by the receipts from the British Government on account of stores and animals sent to South Africa and China.
Army: Warlike Operations	27,632	—	—	—	
Army: Non-Effective ...	74,407	76,393	74,600	76,000	
TOTAL ... £	616,284	719,483	834,100	789,800	

and Estimates for 1900–1901 and 1901–1902, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1898–1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.	REMARKS.
OTHER PUBLIC WORKS:	£	£	£	£	
Military Works	807,649	836,562	739,000	895,100	A sum of about £770,000 a year is granted for the construction and repair of military works throughout India, to which additions are made occasionally for specific purposes. In 1899–1900 special expenditure was incurred for defensive works on the frontier. In the Budget there are grants amounting to £118,300 for a new cordite factory, a new gun carriage factory, accommodation for a third howitzer battery, mounted infantry schools, &c.
Civil Works	3,104,682	3,298,090	3,372,500	3,919,800	In 1899–1900 the increase occurred chiefly in Burma, Bengal, the North-West Provinces, and Madras; and in 1900–1901 there was a very large increase in Burma and a considerable reduction in Madras and Assam. In 1901–1902 provision is made for extra expenditure on the General Hospital at Calcutta, and on public offices at Calcutta, Simla, and Bangalore; and all the Provinces, except Assam and Burma, expect to spend much more freely than in the previous years.
Construction of Railways charged to Provincial or Local Revenues.	968	2,356	18,200	43,200	The expenditure is almost entirely on the Mayavaram-Mutupet Railway, which is to be bought by the Tanjore District Board.
TOTAL ... £	3,913,299	4,137,008	4,129,700	4,858,100	
ARMY SERVICES:					
Army: Effective	12,234,698	11,855,317	12,072,100	14,109,600	Both in 1899–1900 and 1900–1901 there were large savings owing to the absence of troops in South Africa, China, &c.; but a considerable portion thereof was allotted to the purchase of guns and rifles, and other measures for improving the efficiency of the Army. In the Budget allowance is made for the full establishment, as well as for expenditure on the re-armament of the Native Army, re-organization of the transport service, purchase of Maxim guns for the Field Army and Coast Defences, and of new 10-pr. guns for mountain batteries, addition of two howitzer batteries and a company of garrison artillery, schools for mounted infantry, additional officers for the Native infantry and commissariat-transport department, and many minor measures.
Army: Warlike Operations	722,759	—	—	—	
Army: Non-Effective ...	3,043,869	3,029,909	3,001,100	3,025,700	
TOTAL ... £	16,001,326	14,885,226	15,073,200	17,135,300	

STATEMENT showing the Principal Figures in the Indian Accounts for 1898–1899 and 1899–1900,

REVENUE.	Accounts, 1898–1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.	REMARKS.
	£	£	£	£	
TOTAL REVENUE £	67,595,815	68,637,164	75,166,000	72,191,900	

and Estimates for 1900-1901 and 1901-1902, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1898-1899.	Accounts, 1899-1900.	Revised Estimate, 1900-1901.	Budget Estimate, 1901-1902.	REMARKS.
SPECIAL DEFENCE WORKS.	£ 974	£ 874	£ 6,800	£ —	The expenditure, which has been incurred on redoubts, military posts, blockhouses, and roads, on the North-West Frontier, on defences at Aden, Bombay, Karachi, and Rangoon, and in the Hooghly, and on guns and stores in England, is now virtually terminated.
TOTAL EXPENDITURE, Imperial and Provincial	63,976,708	66,068,761	73,499,800	71,683,600	There is an increase of £7,706,892 in the estimate for 1901-1902 over 1898-1899, which arises in the following manner: in the Railway Revenue Account £2,811,701 (against an increase of £3,267,046 in the receipts), on Army Effective Charges £1,152,143, on Civil Works £815,118, on Irrigation £276,544, in the collection of the Land Revenue £237,962, on Opium £189,609, on Forests £99,822, in the other direct demands on the Revenue £141,458, on Famine Relief and Insurance £208,457, on Police £261,657, on Scientific and Minor Departments (including the Census) £202,020, Political £178,609, Law and Justice £165,603, Marine £110,076, Education £108,598, and other Civil Departments £33,863 (except Medical in which there is a reduction of £88,463), on Telegraphs £188,979, under Miscellaneous £155,327, on the Post Office £139,774, in Superannuation £105,821, on Military Works £87,451, in Interest £81,852, and under other heads £42,911.
PROVINCIAL ADJUSTMENTS:					
Deficits: Expenditure by Provincial Governments from their balances.	—	*— 206,220*	—	*— 182,600*	According to the Accounts and Estimates, special grants have been or will be made by the Imperial Government to Provincial Revenues, amounting to £804,700 in 1898-1899, £387,500 in 1899-1900, £699,500 in 1900-1901, and £1,096,200 in 1901-1902. After adding those grants to the balances, the Provincial Governments spent, or are expected to spend, £206,220 in 1899-1900 and £182,600 in 1901-1902, besides the whole of their annual allotments. On the other hand, in 1898-1899 their expenditure fell short of their receipts by £978,234, and in 1900-1901 it is estimated to have done so by £25,800. During the four years Madras will have reduced its balances by £37,100, Assam £23,200, and the Punjab £3,000, while India General will have an increase of £300, Bombay £35,300, the Central Provinces £37,600, Bengal £106,300, the North-West Provinces £182,000, and Burma £317,000. The net increase is £615,212.
Surpluses: Allotments to Provincial Governments unspent by them.	978,234	—	25,800	—	
TOTAL EXPENDITURE charged against the Revenue of the Year £	64,954,942	65,862,541	73,525,600	71,501,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1898–1899 and 1899–1900,

REVENUE.	Accounts, 1898–1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.	REMARKS.

and Estimates for 1900–1901 and 1901–1902, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1898–1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.	REMARKS.
EXPENDITURE NOT CHARGED TO REVENUE:					
Capital Outlay on Railways and Irrigation Works:	£	£	£	£	
State Railways...	2,843,617	2,437,712	1,249,500	2,019,400	The total outlay on the construction of State Railways during these four years is as follows:—

——	Accounts, 1898–1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.
	£	£	£	£
From Money Borrowed by the Government.	2,843,617	2,437,712	1,249,500	2,019,400
From Railway Companies' Debenture Debt.	—	1,057,487	2,026,200	2,275,000
From Revenue	461,204	2,356	18,200	43,200
TOTAL .. £	3,304,821	3,497,555	3,293,900	4,337,600
DISTRIBUTION.				
East Indian	837,308	1,325,500	1,131,300	1,250,000
Assam-Bengal	628,770	676,967	52,100	556,400
Eastern Bengal	120,421	214,130	177,000	285,700
Kaunia-Dhubri Extension, &c.	1,212	24,210	113,700	280,000
Teesta Bridge	26,516	59,435	30,000	1,500
Tirhoot	76,647	56,098	133,300	33,300
Hajipur-Begumserai-Katihar.	152,576	162,429	205,900	136,400
Oudh and Rohilkhand ..	74,059	101,585	65,100	102,000
Ghaziabad-Moradabad ..	123,968	252,542	127,700	28,100
Rajputana-Malwa	*—7,673*	76,704	182,900	141,800
North-Western	264,338	} 233,901	345,200	418,900
Mari-Attock	96,228			
Lyallpur-Khanewal ..	59,218			
Indus Bridge..	68,060	8,893	*—1,700*	700
Nowshera-Dargai	—	49,732	51,300	1,100
Khushalgarh-Kohat ..	—	—	30,700	133,300
Hyderabad-Jodhpore ..	64,746	63,147	28,100	10,500
Great Indian Peninsula ..	—	—	70,300	84,200
East Coast	479,905	57,349	49,300	25,400
Godavari Bridge	111,168	136,632	26,700	—
South Indian..	*—130,586*	35,647	25,000	80,000
Madura-Pamban	—	12,717	104,800	233,300
Tinnevelly-Quilon	—	21,504	157,700	462,900
Mayavaram-Mutupet ..	*—133*	1,800	18,000	42,800
Other Lines	26,649	*—34,677*	*—14,000*	17,500
Stores	31,324	*—38,690*	*—16,500*	12,000
TOTAL .. £	3,304,821	3,497,555	3,293,900	4,337,600

Irrigation Works	435,699	597,960	600,500	666,700	The outlay occurs on the following Irrigation Works:—
TOTAL ... £	3,279,316	3,035,672	1,850,000	2,686,100	

——	Accounts, 1898–1899.	Accounts, 1899–1900.	Revised Estimate, 1900–1901.	Budget Estimate, 1901–1902.
	£	£	£	£
From Borrowed Money ..	435,699	597,960	600,500	666,700
From Revenue	17,347	29,991	24,900	85,300
TOTAL .. £	453,046	627,951	625,400	752,000
DISTRIBUTION.				
Lower Ganges Canal ..	65,547	59,839	10,500	12,800
Western Jumna Canal ..	27,082	28,686	4,700	4,500
Bari Doab Canal	4,107	7,389	16,700	37,100
Chenab Canal	100,573	60,270	50,000	49,000
Jhelum Canal	26,941	187,726	226,500	166,500
Kistna Delta System ..	10,511	12,171	14,300	17,300
Pennér River System ..	1,461	4,965	12,500	11,600
Jamrao Canal	98,056	84,408	61,700	37,400
Mandalay Canal	57,742	74,914	60,000	46,700
Other Works and Reserve	61,026	107,583	159,500	369,100
TOTAL .. £	453,046	627,951	625,400	752,000

Capital Charge involved in Redemption of Liabilities:					
Great Indian Peninsula Railway.	—	—	5,922,400	—	Assumption of the liability for the debentures and debenture stock of the Railway Company on the purchase of the undertaking.
TOTAL ... £	—	—	5,922,400	—	

NET REVENUE AND EXPENDITURE.

NET REVENUE.

Net Revenue.	Accounts, 1898–1899.		Accounts, 1899–1900.		Revised Estimate, 1900–1901.		Budget Estimate, 1901–1902.	
	£	£	£	£	£	£	£	£
I. Land Revenue, &c.:								
1. Land Revenue	17,547,611		16,444,825		16,930,700		17,407,600	
2. Forest	1,236,910		1,232,685		1,275,900		1,251,900	
3. Tributes from Native States.	579,550		586,603		551,100		607,900	
		19,364,071		18,264,113		18,757,700		19,267,400
II. Opium		2,230,308		2,670,589		3,337,000		2,767,200
III. Taxation:								
1. Salt	5,813,957		5,573,775		5,693,900		5,673,400	
2. Stamps	3,161,672		3,225,920		3,305,500		3,310,700	
3. Excise	3,782,622		3,810,539		3,908,100		3,917,100	
4. Provincial Rates... ...	2,609,663		2,495,458		2,558,300		2,719,300	
5. Customs	3,127,230		3,058,795		3,231,000		3,111,200	
6. Assessed Taxes	1,274,020		1,292,729		1,300,900		1,296,700	
7. Registration	293,175		287,164		311,400		300,400	
		20,062,339		19,744,380		20,309,100		20,328,800
Net Receipts under Principal Heads of Revenue.		41,656,718		40,679,082		42,403,800		42,363,400
IV. Miscellaneous Receipts:								
1. Mint	*—23,713*		289,183		61,800		*— 36,000*	
2. Miscellaneous	217,984		99,382		47,900		*— 20,700*	
		194,271		388,565		109,700		*— 56,700*
V. Exchange		28,628		*— 80,949*		*— 3,300*		16,000
Total Net Revenue ...		41,879,617		40,986,698		42,510,200		42,322,700

NET EXPENDITURE.

Net Expenditure.	Accounts, 1898–1899.		Accounts, 1899–1900.		Revised Estimate, 1900–1901.		Budget Estimate, 1901–1902.	
	£	£	£	£	£	£	£	£
I. Debt Services:								
1. Interest on Ordinary Debt	1,672,971		1,593,353		1,798,700		1,722,700	
2. Interest on other Obligations.	344,577		354,745		363,900		376,700	
	2,017,548		1,948,098		2,162,600		2,099,400	
Receipts...	*706,285*		*605,815*		*646,400*		*682,300*	
		1,311,263		1,342,283		1,516,200		1,417,100
II. Military Services:								
1. Army	15,385,042		14,165,743		14,239,100		16,345,500	
2. Military and Special Defence Works ...	772,467		802,656		709,600		859,000	
		16,157,509		14,968,399		14,948,700		17,204,500
III. Collection of Revenue ...		4,302,449		4,448,839		4,568,300		4,756,800
IV. Commercial Services:								
1. Post Office	*—125,919*		*—126,068*		*—124,100*		*— 48,300*	
2. Telegraph	*— 36,115*		*—105,891*		*— 82,100*		39,200	
3. Railways	620,165		*— 76,756*		*—156,200*		164,800	
4. Irrigation	*—179,760*		*—136,387*		*—307,900*		*— 81,000*	
		278,371		*—445,102*		*—670,300*		74,700
V. Famine Relief and Insurance*		791,543		2,098,848		4,245,000		1,000,000
VI. Civil Services:								
1. Civil Departments ...	9,335,813		9,597,544		9,727,600		10,249,100	
2. Miscellaneous Civil Charges	3,411,739		3,513,138		3,526,700		3,554,000	
3. Construction of Railways (charged to Provincial or Local Revenues).	968		2,356		18,200		43,200	
4. Buildings and Roads: Civil Works	2,670,855		2,891,990		2,963,600		3,515,500	
		15,419,375		16,005,028		16,236,100		17,361,800
Total Net Expenditure		38,260,510		38,418,295		40,844,000		41,814,400
VII. Provincial Balances:								
1. Increased by unspent Grants.		978,234		—		25,800		—
2. Reduced by Expenditure from Balances.		—		*206,220*		—		*182,600*
Total Net Expenditure charged against Revenue.		39,238,744		38,212,075		40,869,800		41,631,800
Surplus		2,640,873		2,774,623		1,640,400		690,900

* The net charge on account of the Indian Midland and Bengal-Nagpur railways, which were constructed as lines calculated to protect the country against famine, is included in the Railway Revenue Account. Adding this, the total provision for Famine Relief and Insurance was in 1898–1899 £1,000,000, and in 1899–1900 £2,128,447. In the estimates for 1900–1901 and 1901–1902 no such addition is needed.

India Office,
June 20th, 1901.

HENRY WATERFIELD,
Financial Secretary.

EAST INDIA: ACCOUNTS AND ESTIMATES, 1902-1903.

EXPLANATORY MEMORANDUM

BY THE

SECRETARY OF STATE FOR INDIA.

Presented to both Houses of Parliament by Command of His Majesty.

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Memorandum by the Secretary of State for India, relating to the Accounts of the Government of India for 1900-1901, and the Estimates for 1901-1902 and 1902-1903.

Form of Account.

The Accounts of the Government of India are now prepared so as to shew the transactions in India in rupees; the totals of these transactions are then shewn in pounds at the rate of £1 to 15 rupees; the sterling transactions in England are next stated; and the last two sets of figures are added together, so as to shew in pounds the combined transactions in India and in England. The comparatively small addition or deduction that has to be made on account of the facts that the remittances are not effected at exactly 16 pence to the rupee, and that the Government is under obligations to carry out various transactions at specified rates, are included in a single line, under the head of Exchange, in the Miscellaneous group of Revenue or Expenditure.

Gross Revenue and Expenditure.

The Gross Revenue and Expenditure of the Government of India for the three years are as follows:—

Gross Revenue and Expenditure.	Account, 1900-1901.	Revised Estimate, 1901-1902.	Budget Estimate, 1902-1903.
	£	£	£
Revenue	75,272,291	76,546,700	74,370,400
Expenditure chargeable thereon	73,602,087	71,873,800	73,532,700
Surplus	1,670,204	4,672,900	837,700

Net Revenue and Expenditure.

Apart from other considerations, the Revenue and Expenditure of the country are continually increasing through the opening of additional railways and canals; and, therefore, a clearer view of the financial condition may be gathered by a reference to the net Revenue and Expenditure as shown in the form given in the return of Income and Expenditure laid before the House of Commons (No. 93 of 1902), and in Statement E appended to the Financial Statemen (No. 187 of 1902); the net Revenue being the amount received from the principal heads, after deducting the refunds and assignments chargeable thereon, and, in the case of opium, the cost of cultivation and manufacture, and also the net receipts under the heads of mint, exchange, and miscellaneous; while the net

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Expenditure represents the charges of the various departments, after deducting the receipts of those departments. The following are the net figures :—

Net Revenue and Expenditure.	Account, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.
	£	£	£
Net Revenue	42,342,746	44,190,200	42,414,300
Net Expenditure	40,672,542	39,517,300	41,576,600
Surplus...	1,670,204	4,672,900	837,700

1900–1901.

For the year 1900–1901, the following table gives a comparison of the net Revenue and Expenditure as laid before the House in the Estimates and Account, when adjusted for comparison with the form now adopted :—

Net Revenue and Expenditure.	Budget Estimate, March 1900.	Revised Estimate, as published in March 1901.	Account.
	£	£	£
Net Revenue	42,051,500	42,510,200	42,342,746
Net Expenditure	41,891,200	40,869,800	40,672,542
Surplus...	160,300	1,640,400	1,670,204

Comparison of Account with Budget Estimate.

The variations from the Budget Estimate resulted in an increase of the net Revenue by £291,246, and a reduction of the net Expenditure by £1,218,658, making the result better by £1,509,904.

Table I., page 14.

The increase of £291,246 in the net Revenue was owing to improvements of £528,163 under Opium, £212,704 under Customs, £129,023 under Salt, £123,034 under Excise, and £107,952 under Forests, while under Land Revenue there was a reduction of £556,675 owing to the famine, under Mint of £200,784, and under other heads of £52,171.

Table II., page 14.

The reduction of £1,218,658 in the net Expenditure occurred thus :—The Army Charges were reduced by £1,289,075, owing to the absence of regiments employed out of India, to the interruption of the transport service, to a fall in the price of food, and to a diminished non-effective charge ; the Railway Revenue Account was better by £810,524 ; there was a reduction of £183,554 under Civil Departments ; of £129,792 under Irrigation ; of £120,429 under Telegraph ; and of £109,414 under Civil Works ; the cost of the Collection of Revenue was less by £107,789 ; and the construction of Provincial Railways by £86,022 ; the net receipt from the Post Office was greater by £62,142 ; and there was a diminution of £2,116 under other heads. On the other hand, there was an increase of £788,044 under Famine Relief and Insurance ; and of £152,967 in Interest ; while the payments to the Provincial and Local Balances were heavier than had been expected by £741,188, which was partly due to the Government of India having made to Bombay, the Central Provinces, and the Punjab, special grants amounting to £298,500 beyond the sum of £383,400 provided in the Budget.

Comparison of Account with Revised Estimate.

Tables III. and IV., pages 15 and 16.

Compared with the Revised Estimate, the net Revenue was worse by £167,454, or about two-fifths of 1 per cent., and the net Expenditure less by £197,258, or about one-half of 1 per cent.

1901-1902.

The following table gives a comparison of the Revised Estimate for 1901-1902 with the Budget Estimate published in March 1901 :—

Net Revenue and Expenditure.	Budget Estimate.	Revised Estimate.	Difference.
	£	£	£
Net Revenue	42,322,700	44,190,200	+1,867,500
Net Expenditure	41,631,800	39,517,300	*—2,114,500*
Surplus	690,900	4,672,900	3,982,000 Better

There is an improvement of £1,867,500 in the net Revenue, and a reduction of £2,114,500 in the net Expenditure, so that the position is better by £3,982,000. **Comparison of Budget with Revised Estimate.**

In the net Revenue there was an improvement under every head, except Forest and Tributes, which together were less by £107,900 than the Budget estimate. The principal increase occurred under Customs £622,700, arising from large imports of sugar, cotton goods, silver, and petroleum ; Opium was better by £474,800, owing to the high price realised at the sales in Calcutta ; Land Revenue by £307,200, chiefly from recovery in Bombay ; while Stamps, Excise, and other heads realised considerably larger amounts than had been anticipated. Under Mint, there is a gain of £83,900, after crediting to the Gold Reserve Fund the net profit on the coinage of rupees for the Indian Government. **Table V., page 16.**

The very large reduction of £2,114,500 in the net Expenditure may be explained generally by the diminution of Army Effective Charges by £1,070,700, and the improvement of the Railway Revenue Account by £982,500. In regard to the Army, the saving caused by the Government of India being relieved of the whole charge of the troops sent to South Africa and China is estimated at about £900,000, a part of which, however, was allotted for various measures intended to promote the efficiency of the Army ; these allotments were not fully spent, and there were further savings. On the other hand, the Government of India had to pay £156,300 for the blockade of the Mahsud Waziris, and £202,900 for their half-share of the bounty granted to European troops on extending their service. The improvement in the Railway Revenue Account is due to the enhanced receipts on most of the principal lines, particularly the North-Western, Great Indian Peninsula, and Rajputana-Malwa Railways. There were considerable reductions under most of the other heads of expenditure ; but, in so far as these resulted from the Local Governments failing to spend their full grants, the difference is paid to them under the head of Provincial and Local Balances, and consequently does not affect the Imperial position. **Table VI., page 17.**

1902–1903.

Comparison of Budget for 1902–1903 with Budget for 1901–1902.

Compared with the Budget for 1901–1902, the following are the alterations expected in the Budget for 1902–1903 :—

In the net Revenue there is an improvement of £91,600, which arises thus :—

	£	£	£
Customs, better	406,200		
Excise	155,500		
Stamps	130,300		
Assessed Taxes	60,600		
Other heads	31,200		
		783,800	
But under Land Revenue there is a reduction of...	377,000		
And under Opium, owing to the smaller quantity expected from Malwa	315,200		
		692,200	
Increase of net Revenue ...	...		91,600
In the net Expenditure there is an estimated reduction in the Interest on Ordinary Debt	266,200		
And the Railway Revenue Account is better by	459,700		
		725,900	
But against this must be set an increase in almost all other branches :			
Civil Departments (Education, Law and Justice, Police, &c.)	615,000		
Army	430,000		
Civil Works	270,100		
Collection of Revenue (chiefly Land Revenue and Forest) ...	228,400		
Military Works	99,100		
Telegraph	74,600		
Civil Superannuation	54,500		
Other heads	84,500		
		1,856,200	
Making the Increase of the total net Expenditure		1,130,300	
But to meet this the Provincial and Local Governments are expected to contribute more than in the previous year, by		1,185,500	
So that there is a reduction of the net Expenditure chargeable against Revenue			55,200
The result is that the position is better by			146,800

In the following table, the net Revenue and Expenditure in the Budget for 1902–1903 are compared with those shown in the Budget and Revised Estimates for 1901–1902 :— Comparison of Budget for 1902–1903 with Revised Estimate for 1901–1902.

Net Revenue and Expenditure.	Budget Estimate, 1901–1902.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	Difference, as compared with	
				Budget, 1901–1902.	Revised, 1901–1902.
	£	£	£	£	£
Net Revenue	42,322,700	44,190,200	42,414,300	+ 91,600	— *1,775,900*
Net Expenditure.	41.631,800	39,517,300	41,576,600	— *55,200*	+ 2,059,300
Surplus ...	690,900	4,672,900	837,700	+ 146,800 Better	— *3,835,200 Worse*

A portion of the great difference between the Budget Estimate for 1902–1903 and the Revised Estimate for 1901–1902 is attributable to the final remission of arrears of Land Revenue, amounting altogether to £1,321,500, the whole cost of which is borne by the Government of India ; the part falling on the Estimates for 1902–1903 is £738,300, of which £478,900 is the sum by which the collection of land revenue is reduced, and £259,400 is allotted to the Provincial Governments as compensation for loss in future years. Table VII., page 18.

Compared with the Revised Estimate, the Budget shews a reduction of £684,200 in the net receipts from Land Revenue, owing mainly to a large diminution in Bombay and the Punjab. Under Opium there is a decrease of £790,000, of which £630,200 is due to the price in Calcutta being estimated at only Rs. 1,100 per chest in 1902–1903, whereas the sales in 1901–1902 averaged Rs. 1,297 ; £150,000 is caused by the estimate that the Expenditure will be for a normal crop ; and in other respects there is a reduction of £9,800. The Customs shew a reduction of £216,500, as smaller imports are anticipated of sugar, silver, cotton goods, petroleum, &c. Under Mint there is a net diminution of £93,000, arising partly from the cost of recoining the rupees dated 1840. In other respects there is an improvement of £7,800.

The net Expenditure in 1902–1903 is estimated at £2,059,300 more than in 1901–1902. The Army Effective Charges are enhanced by £1,522,900, namely £1,190,200 in India and £332,700 in England. Of the increase in India £743,300 is due to the anticipated return of troops from South Africa and China, and the consequent restoration of the Indian establishment to its normal strength ; £226,000 is provided on account of the addition of 2*d.* a day to the pay of the European Soldier, and £91,700 in connection with the Durbar at Delhi, and the despatch of native troops to this country for His Majesty's Coronation. In England the net charges are increased by £332,700, the capitation rate being estimated to be paid on the full strength, with a large amount of deferred pay, and normal conditions assumed for furlough and transport. Table VIII., page 18.

Provision was made both in 1901–1902 and 1902–1903 for special measures to increase the efficiency of the Army ; the amount in the Estimates for 1902–1903 is £781,000, which includes £327,000 for the continuance of the re armament of the Native Force, £153,000 for Howitzer batteries, £68,000 for a rifle factory and a gun-carriage factory, £67,000 for ammunition for coast-defence guns, £41,000 for the Brigade Division Staff and improvement of Artillery organization, £29,000 for the re-armament of mountain batteries, and £96,000 for additional officers, hospital train, bandolier equipment, &c.

The Government of India have made special grants to the Local Governments of £266,700 in 1901–1902 and £600,000 in 1902–1903, or altogether £866,700, distributed in the following manner :—Bombay £230,000, Madras £180,000, Bengal £106,700, Punjab £106,700, United Provinces £86,700, Central Provinces £83,300, Assam £35,300, Burma £26,700, and India General (Ajmere, &c.) £11,300. The allocation to the various purposes on which the money is to be

spent is as follows :—Civil Works £363,600, Education £289,300, Land Revenue £47,300, Minor Irrigation Works £37,100, Courts of Law £33,300, Medical £27,400, Jails £4,700, Police £3,600, Forest £2,000, Political £1,700, and Local Funds £56,700. The expenditure of the grants of £600,000 in 1902–1903, and of a further sum of £768,100 from the balances in the hands of the Local Governments, accounts in a large measure for the increase which appears in the Budget under the following heads :—Civil Works £624,300, Collection of Revenue £402,800, Education £354,300, Medical £153,000, Police £148,900, Irrigation (a reduction of net receipts) £131,800, and Law and Justice £125,900. For Military Works special grants have been made, amounting to £118,300 in 1901–1902, and £219,000 in 1902–1903.

The net receipts in the Railway Revenue Account are reduced by £522,800, owing to a diminution of the net revenue in India by £369,300 through cautious estimates, and an increase of the net charge in England by £153,500 in consequence of additional capital having been raised by various Companies. The net receipts of the Post Office are less by £72,100, owing to revision of establishments and reduction in the rates of commission on money orders and in inland parcel rates ; and under Telegraph the net charge is enhanced by £85,700, in consequence of the lower rate charged on foreign telegrams, and an improvement of the pay of signallers. There is an increase of £222,000 in the Political charges, of which £176,700 is on account of the Durbar to be held at Delhi, and £28,000 for the reception of Indian Chiefs attending the Coronation of the King. An increase of £142,400 under Construction of Provincial and Local Railways is due to the arrangements connected with the extension of the Mayavaram-Mutupet Railway.

The total Expenditure in the Budget of 1902-1903 is heavier than that in the Revised Estimate of 1901–1902 by £4,644,400 ; but last year the Local Governments received an increase of their balances to the amount of £1,217,000, whereas in the present year they are to contribute £1,368,100 from their balances towards the expenditure. Consequently, a deduction of £2,585,100 has to be made from the total increase, in order to ascertain the portion which falls on the Imperial Revenues ; and, when this is done, it will be seen that they have to bear an additional charge of £2,059,300. Coupling this with the reduction of the Net Revenue, the position in the Budget of 1902–1903 is worse than in the Revised Estimate for 1901–1902 by £3,835,200.

Review of the last Three Years.

Tables IX. X., and XI., pages 20 to 22.

Compared with the Account for 1899–1900, the Budget for 1902–1903 shows a position worse by £1,936,923, the Net Revenue being larger by £1,427,602, and the Net Expenditure by £3,364,525. There is a considerable improvement in the Net Receipts from Land Revenue, £585,775 ; Customs, £458,605 ; Excise, £262,061 ; Provincial Rates, £235,642 ; Stamps, £215,080 ; Salt, 137,925 ; and minor heads, £85,386 ; but there is a large reduction under Opium, £218,589, and Mint, 334,283. In the Net Expenditure the principal increase occurs in the Army Effective Charges, £2,634,899 ; Civil Departments, £1,266,556 ; Civil Works, £893,610 ; Collection of Revenue, £535,861 ; Military Works, £156,318 ; Civil Superannuation, £117,892 ; and various minor heads, £53,598 ; the net charge under Telegraph is greater by £219,691 ; the net receipts of the Post Office are less by £102,968 ; and of Irrigation, £62,087. On the other hand the Railway Revenue Account is better by £218,144 ; the net charge for Interest is less by £191,383 ; that for Famine Relief and Insurance by £1,107,548 ; and the Provincial Governments contribute from their balances more by £1,161,880.

Famine Relief and Insurance.

Table XII., page 23.

The system of Famine Insurance has been explained on previous occasions. A grant of revenue is annually made, any surplus of which, after meeting the cost of actual relief, is devoted to the construction of protective works, to the reduction of debt, or to expenditure on productive works for which debt would otherwise be incurred. Originally this provision was fixed at 15,000,000 rupees a year.

It was subsequently decided, with effect from the 1st of April, 1894, that 10,000,000 rupees would be a sufficient appropriation. In 1896–97 and 1897–98, however, the cost of relief was extremely heavy; and it was determined that 15,000,000 rupees or £1,000,000, should be again taken as the provision in normal years. Owing to a yet more widely spread famine, the expenditure in 1899–1900 was £2,128,447; and in 1900–1901 it was £4,165,867. In the Estimates for 1901–1902 and 1902–1903 the normal provision of £1,000,000 is entered. The further cost, owing to loss of revenue and to payments in compensation for dearness of provisions, &c., after making allowance for increased receipts from railways and irrigation, has been estimated at £1,373,800 in 1899–1900, £1,799,000 in 1900–1901, to which was added £367,000 in the Budget of 1901–1902. Besides this, loans to Native States and agricultural advances were made, which amounted to £1,041,000 in 1899–1900, £3,502,700 in 1900–1901, and £1,153,600 in 1901–1902. Altogether the drain on the balances owing to the famine, excluding the cost of protective works, is estimated to have been £4,490,000 in 1899–1900, £9,427,000 in 1900–1901, and £2,077,000 in 1901–1902.

In the Appendix will be found a Table taken from paragraph 210 of the Financial Statement, which shews the disposal, during the 25 years from 1878–1879 to 1902–1903, of the provision made in 1877–1878 for Famine Relief and Insurance; the expenditure on direct relief has been £12,658,038; on protective works £9,399,739; and in reduction of debt £1,510,612; and there remains at credit a balance of £1,431,611. Table XII., page 23.

Exchange.

Owing to the alteration in the form of the Accounts explained on page 3, and the slightness of the variations in the gold value of the rupee from the rate of 16 pence, the entry under Exchange has become of minor importance. In the Account for 1900–1901 there is a charge of £31,849; in the Revised Estimate for 1901–1902 a receipt of £44,600; and in the Budget for 1902–1903 a charge of £20,300. This is, however, exclusive of the payments in India made to European troops and to civil and military officers, on account of the fall in the value of the rupee from its former rate to 16*d.*, which in the Budget are estimated at about £774,200. Table XIII., page 23.

Home Charges.

The net Expenditure in England chargeable to Revenue is shown as £16,982,881 in 1900–1901, £17,357,200 in the Revised Estimate for 1901-1902, and £17,879,500 in the Budget for 1902–1903. The last-named amount is thus divided :— Table XIV., page 24.

	£
Interest and Management of Debt, and payment of Interest and Annuities on account of Railways	9,624,000
Payments in connection with Civil Departments in India ...	422,000
India Office, including Auditor's and Store Departments ...	183,300
Army Effective Charges	855,500
Stores of all kinds charged against revenue	1,846,600
Furlough Allowances	644,500
Non-Effective Charges	4,303,600
Total	17,879,500

Besides this, the outlay on stores, &c., for the construction of State Railways and Irrigation Works was £654,879 in 1900–1901, and is estimated at £866,000 in 1901–1902, and £1,742,300 in 1902–1903.

Railways and Irrigation Works.

On the 31st of March 1902 the length of Railways in India open for traffic was 25,529 miles, of which 460 were opened in 1901–1902. The total length sanctioned was 27,813 miles, of which 633 were sanctioned during that year. Tables XV. to XVII., pages 25 to 27.

The Expenditure on Railway Construction for which the Government undertakes financial responsibility or gives a direct guarantee amounted to £5,316,946 in 1900–1901, and is estimated at £6,202,200 in 1901–1902, and £7,420,900 in 1902-1903. This, however, does not include Expenditure by branch line Companies not in receipt of a direct guarantee, or by those whose transactions are outside the Government accounts, nor outlay on provincial and local lines; if these are added, the total expenditure becomes £5,566,821 in 1900–1901, £6,658,400 in 1901-1902, and £8,008,700 in 1902–1903.

The net return in India on the capital cost of the open lines was 4·71 per cent. in 1900–1901. The mode of calculating the capital cost is shown at page 130 of the Finance Accounts for 1900–1901.

In the Railway Revenue Account there was, in 1899–1900, a net receipt, for the first time, amounting to £76,756, after including in the charge £221,706 on account of the redemption of capital which is contained in the annuities issued for the purchase of guaranteed railways. In 1900–1901 there was a net receipt of £325,124, after charging £402,024 for redemption of capital. In the Revised Estimate for 1901–1902 it is anticipated that there will be a net receipt of £817,700, the payments in redemption of capital amounting to £590,100.

The Budget for 1902-1903 takes a less sanguine view of the traffic, which was somewhat abnormal in the previous year; and the net revenue is taken at £294,900, after redeeming capital to the amount of £610,200.

The Famine, which in many other respects was so disastrous, was favourable to the revenue from Irrigation, and in 1900–1901 and 1901–1902 the net receipts were £235,592 and £206,100 respectively. For 1902–1903 they are taken at only £74,300. The capital outlay on Irrigation Works, including sums spent from revenue, was £622,432 in 1900–1901, and is estimated at £628,700 in 1901–1902, and £780,900 in 1902–1903, the grant having been specially increased.

Debt.

Table XVIII., page 28.

In 1900–1901, a Loan of three crores of rupees (£2,000,000) was raised in India at 3½ per cent., at an average price of about 94 per cent., and £301,942 Temporary Debt was also incurred, while £95,197 of Permanent Debt was discharged. In England the Temporary Debt was increased by £500,000, Sterling Bills being issued to an amount of £5,500,000, at average rates varying from £3 6*s.* 2*d.* (June) to £3 17*s.* 8*d.* (December) per cent., while only £5,000,000 was discharged; and, owing to the expenditure in the relief of famine and the large amount of advances to the Native States, India 3 per cent. Stock to the amount of £3,000,000 was issued at the fixed price of £95 10*s.* per cent.

In 1901–1902 a Rupee Loan was raised in India of one crore (£666,700), at 3½ per cent., the average rate accepted being 97·3, and £94,000 Permanent and £301,900 Temporary Debt was discharged. In England a Loan of £3,000,000 India 3 per cent. Stock was offered, at the fixed price of 98 per cent., it being intended to apply a part of the proceeds to the discharge of £1,000,000 Temporary Debt, and to advances to Railway Companies; owing, however, to the small amount of subscriptions received, the Loan was withdrawn, £709,500 being allotted to those who wished to maintain their offers; and, subsequently, £1,300,000 of the Stock was sold, at prices varying from 98 to 99¼ per cent., and India Sterling Bills to the amount of £1,000,000 were discharged without being replaced. The remaining Sterling Bills, amounting to £4,000,000, were replaced by similar Bills, at average rates varying from £3 12*s.* 4*d.* per cent. in June, 1901, to £2 17*s.* 3½*d.* in March, 1902.

According to the Budget for 1902–3 a Loan of one crore and-a-half of rupees (£1,000,000) is to be raised in India; and in England it provided for the issue of £1,500,000 India Stock, mainly to discharge Great Indian Peninsula Railway Debentures. In May the Loan in England was raised in Three per cent. Stock, at an average price of £101 10*s.* 2*d.* per cent. The Budget also contemplates the replacement of all Sterling Bills falling due.

Trade.

The following figures show the Exports from, and Imports into, India, during the last three years :— Table XIX., pages 29 to 32.

	1899–1900.	1900–1901.	1901–1902.
	£	£	£
Exports of Merchandise	72,722,215	71,842,277	83,016,571
Imports „	50,202,987	53,929,726	59,161,613
Net Exports of Merchandise	22,519,228	17,912,551	23,854,958
Net Imports of Gold	6,293,734	561,423	1,291,760
Net Imports of Silver	2,384,465	6,338,155	4,975,223
Net Imports of Treasure	8,678,199	6,899,578	6,266,983
Balance : Net Exports	13,841,029	11,012,973	17,587,975

The Exports of merchandise in 1901–1902 were more than in the previous year by £11,174,294, and the Imports by £5,231,887 ; so that there was an increase of £5,942,407 in the net Exports of merchandise. In the net Imports of treasure there was a reduction of £632,595, there being a diminution of £1,362,932 in the net Imports of silver, and an increase of £730,337 in those of gold. The surplus of Exports, on the whole, was £17,587,975, as compared with £11,012,973 in 1900–1901.

The transactions in treasure on account of the Government were very large in both 1900–1901 and 1901–1902, owing to the demand for rupees. Silver to the value of £5,391,011 was imported on Government account in the former year, and £808,694 in 1901–1902 ; and £4,482,242 and £1,999,668 of gold was exported in the two years, respectively.

Gold Reserve Fund.

In accordance with a recommendation made by the Indian Currency Committee, it was decided that, with effect from the 1st April, 1900, the net profit made by the coinage of rupees when needed for the purposes of the Government of India, should not be treated as revenue, but be held as a special reserve, and sent to England for investment in sterling securities. This profit amounted to £3,031,294 in 1900–1901, and £415,100 in 1901–1902. Of the total sum, £1,500,000 was shipped to England in gold, realising, after the deduction of expenses, £1,496,745 ; and £1,939,093 was remitted by the sale of bills on India towards the end of 1901–1902. The proceeds were applied from time to time to the purchase of Consols ; and, including the investment of the dividends as they accrued, the Gold Reserve Fund on the 31st of March, 1902, amounted to £3,667,294 of $2\frac{3}{4}$ per cent. Consolidated Stock.

Assets and Liabilities.

The statement of Assets and Liabilities contains only the figures which relate to capital, not those dealing with annual revenue and expenditure. In addition to sums due from corporations and railway companies and the cash balances, and the sterling securities held for the gold reserve fund, the assets comprise the values of the railways and irrigation works constructed or purchased by the State ; but these values are taken as being identical with the total capital outlay upon each undertaking, as shown in the capital accounts in India ; they do not represent the commercial value of the undertakings, nor are they based upon the prices that it has been necessary to pay, in order to acquire those undertakings ; otherwise, the assets would, of course, appear much larger. The Table XX. page 33.

liabilities are the debt and capital obligations which the Secretary of State has already incurred, or which he has assumed the liability to incur; but they do not take account of the annuities by means of which the undertakings have been purchased, and which, being by law charged on the revenues of India, are shown in the statement of expenditure (against the earnings of the railways shown in the statement of revenue), and are not entered in the capital account.

On the 31st of March 1902 the assets were £227,249,000 and the liabilities £226,009,000.

Burden of Taxation.

Table XXI., page 33.

If the taxation proper be divided over the population of British India, without making any deduction on account of the portion derived from Salt, Excise, Customs, &c., which must fall on the inhabitants of the Native States, the burden of taxation per head in the Budget for 1902–1903 is 1*s.* 9¾*d.* If to this be added the amount of the Land Revenue, the average is raised to 3*s.* 3¼*d.*

GEORGE HAMILTON,
Secretary of State.

India Office,
25th June 1902.

APPENDICES.

APPENDICES.

APPENDIX I.

Tables to which reference is made in the Explanatory Memorandum, the rupee being taken as equal to 16 pence.

TABLE I.

1900–1901.—NET REVENUE.

COMPARISON of ACCOUNT with BUDGET ESTIMATE.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Land Revenue	— *779,955*	+ 223,280	—	— *556,675*	Reduction owing to the Famine, chiefly in Bombay, Central Provinces, Madras, and the Punjab; improvement in Burma.
Forest	+ 53,686	+ 54,266	—	+ 107,952	Increase mainly in Burma and Bombay.
Tributes	— *34,121*	— *354*	—	— *34,475*	Reduction especially in Bombay, owing to the Famine.
Opium	+ 528,311	+ 23	— *171*	+ 528,163	Improvement in Bengal, the average price per chest being Rs. 1,361, instead of Rs. 1,200 as estimated, and the number of chests sold being increased by 900 owing to the larger amount in stock.
Salt	+ 133,801	— *4,778*	—	+ 129,023	Improvement in Northern India and Bombay.
Stamps	+ 17,510	+ 57,176	—	+ 74,686	Chiefly in the North-West Provinces.
Excise	+ 74,231	+ 48,803	—	+ 123,034	Increase especially in Madras, Bengal, North-West Provinces, and Burma; reduction in Bombay, owing to the Famine.
Provincial Rates	+ 61	— *49,387*	—	— *49,326*	Reduction principally in Bombay, the Central Provinces, and Bengal; improvement in Madras.
Customs	+ 207,256	+ 5,448	—	+ 212,704	Increased imports of sugar and countervailing duties.
Mint	— *190,670*	—	— *10,114*	— *200,784*	Lower receipts from coinage of dollars and copper (apart from the gain on coinage of rupees which is transferred to the Gold Reserve Fund), and increase of expenditure on temporary establishments.
Other heads	— *33,907*	— *6,134*	— *3,015*	— *43,056*	
Total	— *23,797*	+ 328,343	— *13,300*	+ 291,246	

TABLE II.

1900-1901.—NET EXPENDITURE.

COMPARISON of ACCOUNT with BUDGET ESTIMATE.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Interest	— *32,352*	+ 14,836	+ 170,483	+ 152,967	
Army: Effective	—*1,023,917*	—	— *217,176*	—*1,241,093*	Saving by the prolonged absence of troops in South Africa and China, by the consequent dislocation of the relief service, and diminished issue of furlough pay, and also by a fall in the prices of food in India.
Army: Non-Effective ...	— *7,307*	—	— *40,675*	— *47,982*	Partly due to a repayment on account of the previous year.
Carried forward ...	—*1,063,576*	+ 14,836	— *87,368*	—*1,136,108*	

TABLE II—*continued.*

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Brought forward ...	—*1,063,576*	+ 14,836	— *87,368*	—*1,136,108*	
Collection of Revenue ...	— *33,223*	— *70,740*	— *3,821*	— *107,789*	Chiefly under Land Revenue (land records and survey), Forest, and Salt.
Post Office	— *54,682*	— *4,080*	— *3,380*	— *62,142*	Increase of Revenue, £36,656; reduction of Expenditure, £25,486.
Telegraph	— *96,044*	—	— *24,385*	— *120,429*	Increase of Revenue, £91,616, attributable partly to war news; reduction of Expenditure, £28,813, chiefly on capital account.
Railway Revenue Account	— *763,065*	— *2,826*	— *44,633*	— *810,524*	Revenue increased by £1,162,129, owing to better prospects, removal of plague restrictions, famine traffic, and China Expedition; Expenditure more by £351,605.
Irrigation	— *63,036*	— *66,298*	— *458*	— *129,792*	Increase of Revenue, especially on the Chenab and Jamrao Canals, and generally owing to the scanty fall of rain.
Famine Relief and Insurance	+ 826,225	— *45,983*	+ 7,802	+ 788,044	Increased charge for Famine Relief, £790,230, chiefly in the Central Provinces and Bombay; reduction of payment for Protective Irrigation Works, £2,186.
Civil Departments	— *142,579*	— *65,121*	+ 24,146	— *183,554*	Reduction in Political charges, £129,109, mainly through the subsidy of the Amir of Afghanistan being paid at irregular intervals; increase of £50,621 under Law and Justice, and of £22,682 on General Administration; reduction in other Departments, £127,748.
Civil Works	— *11,203*	— *102,483*	+ 4,272	— *109,414*	Reduction of Expenditure, £95,499, principally in the North-West Provinces and Burma; increase of Receipts, £13,915.
Construction of Provincial Railways.	—	— *86,022*	—	— *86,022*	Expenditure on the Mayavaram-Mutupet railway removed from this account, on the District Board of Tanjore raising debenture capital for its construction.
Other heads	— *43,894*	+ 15,872	+ 25,906	— *2,116*	
Provincial and Local Balances.	—	+ 741,188	—	+ 741,188	Mainly owing to special grants by the Government of India of £405,700 to Bombay, £221,200 to the Central Provinces, and £55,000 to the Punjab, which exceeded the amounts in the Budget by £298,500.
Total	—*1,445,082*	+ 328,343	— *101,919*	—*1,218,658*	
Coupling this improvement with the increase of the net Revenue shown in Table I., the Imperial position is, on the whole, better by £1,509,904.	+1,421,285	—	+ 88,619	+1,509,904	

TABLE III.

1900-1901.—NET REVENUE

COMPARISON OF ACCOUNT with REVISED ESTIMATE.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Land Revenue	— *130,455*	— *44,720*	—	— *175,175*	Reduction especially in Bombay.
Customs	+ 41,756	+ 1,748	—	+ 43,504	Improvement in imports, chiefly of sugar and cotton goods.
Mint	— *39,370*	—	— *2,414*	— *41,784*	Increase of receipts £94,375, and of charges £136,159.
Other heads	— *28,828*	+ 34,315	+ 514	+ 6,001	
Total	— *156,897*	— *8,657*	— *1,900*	— *167,454*	

TABLE IV.

1900-1901.—NET EXPENDITURE.

COMPARISON OF ACCOUNT with REVISED ESTIMATE.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Interest	— *5,852*	— *13,264*	— *9,617*	— *28,733*	Reduction of charge in India £19,429, and in England £4,225; increase of receipts, £5,079.
Army: Effective	— *49,117*	—	+ 84,424	+ 35,307	Increased payments for Military stores.
Military Works	+ 42,330	—	+ 2,057	+ 44,387	Increased expenditure in India.
Collection of Revenue ...	— *8,828*	— *23,040*	— *1,721*	— *33,589*	Reduction under Land Revenue and Forests.
Telegraph	— *10,444*	—	— *20,585*	— *31,029*	Reduction of payments for the Indo-European Telegraph, and for stores for India.
Railway Revenue Account	— *166,865*	— *1,826*	— *233*	— *168,924*	Improvement in the receipts.
Irrigation	+ 76,364	— *3,798*	— *258*	+ 72,308	Diminution of revenue £57,981, and increase of charge £14,327.
Famine Relief and Insurance	— *81,875*	— *6,683*	— *98*	— *88,656*	General reduction in payments for relief, especially in Bombay.
Civil Works	— *20,003*	— *78,183*	— *1,528*	— *99,714*	Reduction in most Provinces, particularly Burma, the North-West Provinces, and Bengal.
Construction of Provincial Railways.	—	— *19,022*	—	— *19,022*	Removal of the transactions of the Mayavaram-Mutupet line to the head of Capital Accounts of Local Boards.
Other heads	+ 16,108	— *27,629*	— *32,860*	— *44,381*	
Provincial and Local Balances.	—	+ 164,788	—	+ 164,788	The provincial balances contributed to the expenditure less than had been expected, in Burma by £61,134, Madras £51,468, Punjab £25,606, North-West Provinces £23,760, Assam £11,479, India General £2,260, and Central Provinces £366; while Bombay spent more by £1,076, and Bengal £10,209.
Total	— *208,182*	— *8,657*	+ 19,581	— *197,258*	
Deducting from this the reduction in the net Revenue shown in Table III., the position of the Imperial Government is better by	+ 51,285	—	— *21,481*	+ 29,804	

TABLE V.

1901-1902.—NET REVENUE.

COMPARISON of REVISED with BUDGET ESTIMATE.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Land Revenue	— *89,000*	+ 396,200	—	+ 307,200	Chiefly in Bombay.
Forest	— *31,900*	— *31,400*	—	— *63,300*	Large reduction in Burma.
Tributes	— *44,600*	—	—	— *44,600*	Postponement of collection in Bombay, owing to Famine in the Native States.
Opium	+ 474,100	+ 100	+ 600	+ 474,800	The average price of the sales at Calcutta exceeded the estimate by Rs. 197 a chest; but there was a reduction of 9,600 chests in the number passed for export at Bombay.
Salt	+ 53,000	+ 7,100	—	+ 60,100	Mainly in Bengal.
Stamps	+ 42,800	+ 103,700	—	+ 146,500	General progress, particularly in Bengal, the United Provinces, and Bombay.
Excise	+ 72,200	+ 41,800	—	+ 114,000	Chiefly in Madras and the United Provinces.
Provincial Rates	+ 2,300	+ 19,900	—	+ 22,200	Recovery in the Central Provinces.
Customs	+ 623,100	— *400*	—	+ 622,700	Increase in import duty, mainly on sugar, cotton manufactures, silver, and petroleum.
Assessed Taxes	+ 36,300	+ 31,600	—	+ 67,900	General improvement, especially in Bengal.
Mint	+ 81,000	—	+ 2,900	+ 83,900	Gain on coinage operations, including those for Native States, and of dollars and copper.
Miscellaneous	+ 500	+ 21,700	+ 9,100	+ 31,300	Mainly in Bengal, and in the Central Provinces where there are recoveries on account of Famine expenditure.
Other heads	+ 37,200	+ 7,600	—	+ 44,800	
Total	+1,257,000	+ 597,900	+ 12,600	+1,867,500	

TABLE VI.

1901–1902.—NET EXPENDITURE.

COMPARISON of REVISED with BUDGET ESTIMATE.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Interest	— *139,000*	— *21,400*	— *79,300*	— *239,700*	Reduction of charge £144,100, owing mainly to transfer from Ordinary to Public Works Debt. Increase of receipts £95,600, owing to interest on loans to Native States, and on the unusually large surplus cash balance of the Secretary of State.
Army: Effective	— *701,600*	—	— *369,100*	—*1,070,700*	Net reduction through the absence of troops in South Africa and China about £900,000, of which, however, a portion was allotted for various measures intended to promote the efficiency of the Army. These allotances were not fully spent, and there were further savings. On the other hand, the blockade of the Mahsud Waziris added £145,400, and the moiety of the bounty granted to European soldiers on extending service cost £202,900.
Army: Non-Effective ...	+ 4,700	—	— *55,300*	— *50,600*	Reduction in England, mainly due to a refund in respect of 1900-1901.
Collection of Revenue ...	— *44,200*	— *131,200*	+ 1,000	— *174,400*	Land Revenue £77,300, Forest £51,100, Salt £21,900, and other heads £24,100.
Railway Revenue Account...	— *936,700*	— *600*	— *45,200*	— *982,500*	Enhanced receipts, especially on the North-Western, Great Indian Peninsula, and Rajputana Malwa Railways.
Irrigation	— *103,900*	— *21,900*	+ 700	— *125,100*	Increase of receipts £89,100; reduction of charge £36,000, chiefly on minor works in Burma.
Famine Relief and Insurance	— *91,400*	+ 14,000	+ 5,000	— *72,400*	Reduction of payments for direct relief £117,900, principally in Bombay; increase in other payments £45,500, besides £72,400 for the net charge on account of the Bengal-Nagpur railway included in the Railway Revenue Account.
Police	+ 25,200	— *117,400*	+ 100	— *92,100*	Largely due to the scheme for the substitution of military police for troops in the Southern Shan States not having yet been sanctioned.
Marine	+ 36,900	— *5,200*	+ 14,900	+ 46,600	Extensive alterations and repairs of Indian Marine vessels, and purchases of coal and stores.
Education	+ 300	— *50,500*	+ 1,000	— *49,200*	Estimates of the Local Governments were too high.
Medical	— *5,200*	— *106,500*	— *100*	— *111,800*	Estimates of the Local Governments were too high.
Political	— *110,600*	+ 5,400	+ 5,400	— *99,800*	Provision was made for the payment of arrears of the Amir of Afghanistan's subsidy, but he only drew the normal amount.
Scientific and Minor Departments.	— *39,600*	— *13,400*	+ 6,800	— *46,200*	Chiefly diminution of the charges for the Census.
Civil Works	— *16,100*	— *345,600*	+ 7,500	— *354,200*	The Local Governments have spent less than was intended, especially in Bengal, Burma, the United Provinces, Madras, and Bombay.
Provincial and Local Railways.	— *82,300*	— *15,700*	—	— *98,000*	Reduction of net charge through the sale to the Tanjore Local Board of the Government share in the Mayavaram-Mutupet railway.
Other heads...	— *131,400*	+ 8,300	+ 129,100	+ 6,000	
Provincial and Local Balances.	—	+ 1,399,600	—	+ 1,399,600	In the Budget it was expected that the Provincial Governments would meet from their balances £182,600 of the total expenditure. But, owing partly to special grants of about £267,000 made by the Government of India (to Bombay £130,000, Madras £67,000, Central Provinces £43,000, and to Punjab £27,000), and to the great improvement in the revenue, coupled with savings on the expenditure, it is now estimated that the Provincial Balances will be increased by £1,217,000. According to the Revised Estimate the balances will be higher than was estimated in Bombay by £328,600, Burma £250,500, Madras £250,300, Bengal £209,200, United Provinces of Agra and Oudh £149,500, Central Provinces £127,200, Punjab £90,900, and the new North-West Frontier Province £1,200, while India General is less by £900, and Assam by £6,900.
Total	— *2,334,900*	+ 597,900	— *377,500*	— *2,114,500*	
Combining this with the increase of the net Revenue shown in Table V., the Imperial position is better by	+ 3,591,900	—	+ 390,100	+ 3,982,000	

TABLE VII.

1902–1903.—NET REVENUE.

COMPARISON OF BUDGET ESTIMATE FOR 1902–1903 WITH REVISED ESTIMATE FOR 1901–1902.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Land Revenue	+ 212,300	— *896,500*	—	— *684,200*	Arrears of land revenue arising from the Famine have been finally remitted to the extent of £1,321,500, of which £478,900 falls under this head in 1902–1903. The remainder of the decrease is caused chiefly by scarcity in Bombay and the Punjab.
Forest	+ 54,800	+ 44,200	—	+ 99,000	Improvement especially in Burma.
Opium	— *788,000*	—	— *2,000*	— *790,000*	Reduction of revenue £625,100, the average price of chests to be sold in Calcutta being estimated at Rs. 1,100, against Rs. 1,297 received in 1901-1902. Increase of charge £164,900, as the estimate is for a normal crop.
Customs	— *217,100*	+ 600	—	— *216,500*	Reduction on imports of sugar £97,300, silver £40,900, cotton manufactures £39,600, petroleum £33,300, and in other respects £5,400.
Mint	— *100,800*	—	+ 7,800	— *93,000*	Smaller gain on coinage £64,200; increased charge for coinage of rupees dated 1840 £46,700; other transactions better £17,900.
Exchange	— *65,000*	—	—	— *65,000*	The differences arises mainly on the transactions of the Madras and Southern Mahratta Railways.
Other heads	+ 96,400	— *115,500*	— *7,100*	— *26,200*	
Total	— *807,400*	— *967,200*	— *1,300*	—*1,775,900*	

TABLE VIII.

1902–1903.—NET EXPENDITURE.

COMPARISON OF BUDGET ESTIMATE FOR 1902–1903 WITH REVISED ESTIMATE FOR 1901–1902.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Interest	— *98,400*	— *7,100*	+ 79,000	— *26,500*	In India, charge reduced by £161,300 through transfer to Public Works portion of the debt, against which an increase of £87,100 is caused by the loan in 1901, savings banks deposits, &c.; addition of £31,300 to receipts, owing to recent large loans to Native States and cultivators. In England, charges increased by £34,000, and receipts estimated to be less by £45,000.
Army: Effective	+1,190,200	—	+ 332,700	+1,522,900	In India, charge increased £743,300 for full strength, £226,000 for additional 2*d.* a day to European soldiers, £91,700 in connection with the Durbar at Delhi, and despatch of native troops to England for the King's Coronation, and £23,200 otherwise. Receipts less by £106,000, owing to absence of special credits for South Africa and China contingents. In England there is an increase of £332,700, the capitation rate being based on the full strength, a large estimate for deferred pay being taken, and the furlough and transport arrangements being expected to resume normal conditions.
Carried forward ...	+1,091,800	— *7,100*	+ 411,700	+1,496,400	

TABLE VIII.—*continued.*

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Brought forward ...	+1,091,800	— *7,100*	+ 411,700	+1,496,400	
Military Works	+ 113,500	—	— *16,900*	+ 96,600	Special grants have been made for water supply, fortifications, and mechanical punkah-pulling in barracks; and expenditure is also being incurred on the cordite, gun carriage, and small arms factories.
Collection of Revenue ...	+ 147,600	+ 249,200	+ 6,000	+ 402,800	General increase, principally under land revenue, especially in Madras, United Provinces, Bengal, and the Punjab and North-West Frontier Province, and under forest, chiefly in Burma.
Post Office	+ 61,100	+ 7,900	+ 3,100	+ 72,100	Mainly from revision of establishments, but partly due to a reduction in the rates of commission on money orders and in inland parcel rates.
Telegraph	+ 108,200	—	— *22,500*	+ 85,700	Reduction of the rates for foreign telegrams, and improved pay of signallers; in England the reduction is on the Indo-European Telegraph.
Railway Revenue Account	+ 361,400	+ 7,900	+ 153,500	+ 522,800	Net receipts in India less by £369,300, as the estimate does not anticipate a repetition of the very large traffic of 1901–1902, especially on the North-Western Railway. Net charges in England increased by £153,500, owing to additional capital raised by companies, East Indian, South Indian, Burma, Indian Midland, Bengal-Nagpur, &c.
Irrigation	+ 125,900	+ 5,900	—	+ 131,800	Net receipts from major works better by £113,000, mainly the Ganges, Chenab, and Sirhind canals; interest more £25,700; minor works more £219,100, including a special grant of £166,700 for village irrigation works.
Famine Relief and Insurance.	+ 82,200	— *14,500*	— *4,000*	+ 63,700	The estimate is in both cases for the normal grant of £1,000,000, but in the Budget the net charge for the Bengal-Nagpur Railway (which is included in the Railway Revenue Account) is taken as less by £63,700 than in 1901–1902, thereby increasing to that extent the amount shown under Famine Relief and Insurance.
Law and Justice	+ 36,700	+ 89,800	— *600*	+ 125,900	Increase in all provinces, especially Burma, towards meeting which special grants have been made of £38,000.
Police	+ 41,100	+ 107,900	— *100*	+ 148,900	Increase general, chiefly in Bengal and Burma.
Marine	— *21,600*	— *8,100*	— *54,600*	— *84,300*	In 1901 1902 there were exceptional repairs to vessels of the Royal Indian Marine; and the charge for stores in England is also much reduced in 1902–1903.
Education	+ 3,100	+ 352,200	— *1,000*	+ 354,300	Increase in all provinces, chiefly Bengal, Madras, Bombay, and the United Provinces; the Government of India have for this purpose made special grants amounting to £289,300.
Medical	+ 17,300	+ 136,400	— *700*	+ 153,000	General increase, particularly in Madras; special grants of £27,400 have been made towards meeting it.
Political	+ 203,600	— *4,200*	+ 22,600	+ 222,000	The expenses connected with the Delhi durbar are estimated at £260,000, of which £176,700 is under this head; and those for the reception of Indian Chiefs attending the King's Coronation, and the visit of Native troops to England, at £48,000 (besides £91,700 under Army). In the Revised Estimate provision was made for the payment of arrears of the subsidy of the Amir of Afghanistan.
Other Civil Departments ...	— *5,000*	+ 41,600	— *11,600*	+ 25,000	
Civil Works	+ 57,400	+ 573,900	— *7,000*	+ 624,300	The expenditure is largely increased in every province except Assam, the Imperial Government having made special grants amounting to £363,600. About £33,000 is provided for houses and offices at the headquarters of the North-West Frontier Province.
Carried forward ...	+2,424,300	+1,538,800	+ 477,900	+4,441,000	

TABLE VIII.—*continued.*

——	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Brought forward ...	+2,424,300	+1,538,800	+ 477,900	+4,441,000	
Construction of Provincial and Local Railways.	+ 82,300	+ 60,100	—	+ 142,400	Expenditure on the extension of the Mayavaram-Mutupet railway.
Other heads...	— *1,100*	+ 19,000	+ 43,100	+ 61,000	
Provincial and Local Balances.	—	— *2,585,100*	—	— *2,585,100*	In the Revised Estimate it was expected that the Provincial Governments would spend less than their grants by £1,217,000, while in the Budget it is anticipated that they will draw £1,368,100 from their balances to meet their expenditure; so that the payments by the Imperial to the Provincial Governments are estimated to be less by £2,585,100. The difference arises from a reduction in Bombay £697,300, Madras £590,600, Burma £415,500, Punjab £262,900, Central Provinces £244,700, Bengal £242,900, United Provinces £134,400. North-West Frontier Province £3,500, and India General £2,100, while Assam expects an improvement of £8,800.
Total	+ 2,505,500	— *967,200*	+ 521,000	+ 2,059,300	
Combining this with the reduction of the net Revenue shown in Table VII., the Imperial position is worse by	— *3,312,900*	—	— *522,300*	— *3,835,200*	

TABLE IX.

1899–1903.—NET REVENUE.

BUDGET FOR 1902–1903 COMPARED WITH ACCOUNT FOR 1899–1900.

——	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Land Revenue	— *105,473*	+ 691,248	—	+ 585,775	Improvement chiefly in Madras and Burma.
Forest	+ 32,638	+ *22,277*	—	+ 54,915	Increase especially in the Central Provinces.
Opium	— *216,610*	+ 15	— *1,994*	— *218,589*	Reduction in estimated price of sales at Calcutta from 1,221 to 1,100 rupees per chest; number of chests sold increased by 6,300; reduction of chests passed for export from Bombay 9,092.
Salt	+ 136,561	+ 1,364	—	+ 137,925	General improvement.
Stamps	+ 70,739	+ 144,341	—	+ 215,080	Increase chiefly in Bengal and the United Provinces.
Excise	+ 233,214	+ 28,847	—	+ 262,061	Increase principally in Bengal, the United Provinces, and Madras.
Provincial Rates	+ 3,797	+ 231,845	—	+ 235,642	General improvement, especially in Madras, Bombay, the Punjab, and the Central Provinces.
Customs	+ 456,138	+ 2,467	—	+ 458,605	Import duty more on sugar, ordinary £87,200, countervailing £103,217, on cotton goods £53,144, other manufactures £66,577, petroleum £55,200, metals £32,113; other net receipts £61,154.
Assessed Taxes	+ 36,321	+ 28,250	—	+ 64,571	Normal increase.
Mint	— *330,765*	—	— *3,518*	— *334,283*	Less receipts £278,891, mainly owing to the absence of gain on coinage of rupees. Increased charge £55,392, of which £46,700 is the loss on re-coining the 1840 rupees.
Miscellaneous	+ 2,285	— *128,431*	+ 17,364	— *108,782*	Reduction largely due to temporary loans in Bombay treated as irrecoverable.
Exchange	+ 60,649	—	—	+ 60,649	In 1899–1900 there was a charge of £62,008 on the capital transactions of the Burma Railway.
Other heads	+ 1,474	+ 12,559	—	+ 14,033	
Total	+ 380,968	+ 1,034,782	+ 11,852	+ 1,427,602	

TABLE X.

1899–1903.—NET EXPENDITURE.

BUDGET FOR 1902–1903 COMPARED WITH ACCOUNT FOR 1899–1900.

	India.		England.	Total.	Remarks.
	Imperial.	Provincial and Local.			
	£	£	£	£	
Interest	— *362,022*	+ 6,661	+ 163,978	— *191,383*	Reduction in India in consequence of the total borrowed being less than the amount transferred from the Ordinary to the Public Works portion of the debt, on account of the capital outlay. Increase of charge in England £144,644, and reduction of receipts £19,334.
Army: Effective	+1,678,395	—	+ 956,504	+2,634,899	The increase in India occurs chiefly in pay, supply and transport, ordnance, and medical services, and from the addition of officers to native regiments and various departments. In England the increase is on ordnance stores.
Military Works	+ 170,000	—	— *13,682*	+ 156,318	Cordite, gun carriage, and small arms factories, and other improvements, for which a special grant of £219,000 is included in the Budget.
Collection of Revenue ...	+ 176,964	+ 367,126	— *8,229*	+ 535,861	Chiefly in Land Revenue, Forest, and Excise.
Post Office	+ 83,680	+ 14,353	+ 4,935	+ 102,968	Increase of expenditure £171,753, and of revenue £68,785.
Telegraph	+ 100,659	—	+ 119,032	+ 219,691	Increase of net charges in India £100,659, and in England £119,032 for stores.
Railway Revenue Account	— *890,301*	+ 19,284	+ 652,873	— *218,144*	Increase of net receipts £1,107,659, and of expenditure £889,515. Of the increase in England £350,972 is due to the purchase of the Great Indian Peninsula Railway.
Irrigation	— *50,044*	+ 111,766	+ 365	+ 62,087	Increase of expenditure £358,925, and of revenue £296,838.
Famine Relief and Insurance	—*1,075,159*	— *29,672*	— *2,717*	—*1,107,548*	Diminished charge for relief of famine £1,651,718; increase for protective irrigation works £69,970; and for avoidance of debt £474,200.
Civil Departments	+ 488,315	+ 919,921	— *141,680*	+1,266,556	Increase in Education £383,507, Law and Justice £274,338, Police £241,994, Political £180,961, Minor Departments £142,466, Medical £84,765, and reduction in other Departments £41,478.
Superannuation	+ 11,202	+ 55,466	+ 51,224	+ 117,892	Increase in India £66,668, and in England £51,224.
Civil Works	+ 258,299	+ 627,888	+ 7,423	+ 893,610	General increase, except in Assam. The Imperial Government has made a special grant of £363,600, and the Local Governments are spending freely from their balances, in 1902–03
Provincial and Local Railways.	—	+ 85,244	—	+ 85,244	Mayavaram-Mutupet Railway.
Other heads	— *22,294*	+ 18,625	— *27,977*	— *31,646*	
Provincial and Local Balances.	—	—*1,161,880*	—	—*1,161,880*	Compared with 1899–1900, the Provincial Governments have budgeted to spend from their balances more by £1,161,880; namely, Burma £518,810, Bengal £243,110, United Provinces £216,180, Madras £135,570, Bombay £89,010, Central Provinces £45,250. North-West Frontier Province £2,270, and India General £70, while the Punjab estimates for an expenditure smaller by £26,960, and Assam by £61,430.
Total	+ 567,694	+1,034,782	+1,762,049	+3,364,525	
Setting against this the increase of net Revenue shown in Table IX., the Imperial position is worse by	— *186,726*	—	—*1,750,197*	—*1,936,923*	

TABLE XI.

SUMMARY of FINANCIAL POSITION of the last Three Years.

Net Revenue and Expenditure.	Account, 1899–1900.	Account, 1900-1901.	Revised Estimate, 1901–1902.	Budget, 1902–1903.	Increase or Decrease in 1902-1903 compared with 1899-1900.
	£	£	£	£	£
Net Revenue	40,986,698	42,342,746	44,190,200	42,414,300	+ 1,427,602
Net Expenditure :					
India : Imperial	7,504,306	8,415,618	5,566,500	8,072,000	+ 567,694
„ Provincial and Local	14,617,518	15,310,643	16,619,500	15,652,300	+ 1,034,782
England	16,090,251	16,946,281	17,331,300	17,852,300	+ 1,762,049
Total of Net Expenditure	38,212,075	40,672,542	39,517,300	41,576,600	+ 3,364,525
Surplus (+)	+ 2,774,623	+ 1,670,204	+ 4,672,900	+ 837,700	— *1,936,923*

In the following figures, which combine Revenue and Expenditure, + denotes better and — worse than in 1899–1900 :—

Net Revenue and Expenditure.	Account, 1900–1901.	Revised Estimate, 1901–1902.	Budget, 1902–1903.
Net Revenue.	£	£	£
Land Revenue	+ 310,701	+ 1,269,975	+ 585,775
Opium	+ 642,074	+ 571,411	— *218,589*
Salt	+ 136,148	+ 159,725	+ 137,925
Stamps	+ 78,866	+ 231,280	+ 215,080
Excise	+ 82,095	+ 220,561	+ 262,061
Provincial Rates	+ 64,016	+ 246,042	+ 235,642
Customs	+ 215,609	+ 675,105	+ 458,605
Mint	— *269,067*	— *241,283*	— *334,283*
Other heads	+ 95,606	+ 70,686	+ 85,386
	+ 1,356,048	+ 3,203,502	+ 1,427,602
Net Expenditure.			
Interest	— *145,184*	+ 164,883	+ 191,383
Army : Effective	— *134,806*	— *1,111,999*	— *2,634,899*
Military Works	+ 47,731	— *59,718*	— *166,318*
Collection of Revenue	— *85,872*	— *133,061*	— *535,861*
Post Office	+ 8,874	— *30,868*	— *102,968*
Telegraph	+ 7,238	— *133,991*	— *219,691*
Railway Revenue Account...	+ 248,368	+ 740,944	+ 218,144
Irrigation	+ 99,205	+ 69,713	— *62,087*
Civil Departments	— *131,002*	— *321,756*	— *1,266,556*
Superannuation	— *17,480*	— *76,692*	— *117,892*
Famine Relief and Insurance	— *2,057,496*	+ 1,171,248	+ 1,107,548
Civil Works	+ 28,104	— *269,310*	— *893,610*
Other heads	+ 68,661	+ 108,602	— *53,598*
Provincial and Local Balances	— *396,808*	— *1,423,220*	+ 1,161,880
	— *2,460,467*	— *1,305,225*	— *3,364,525*
Total as compared with 1899–1900	— *1,104,419*	+ 1,898,277	— *1,936,923*

TABLE XII.

STATEMENT showing the DISPOSAL of the PROVISION made in 1877–78 for FAMINE RELIEF and INSURANCE.

[*Rupee Figures are converted into Sterling at* 15 *to the* £.]

Years.	Revenue provided by Measures of 1877-78.	Disposal of the Revenue provided.							Balance on the Year.		Balance at Credit from the Commencement of the Scheme to the End of the Year.
		Expenditure on Famine Relief.		Expenditure on Protective Works, including Net Charge for Inland Midland and Bengal-Nagpur Railways.		Amount applied in Reduction of Debt.		Total Expenditure.			
		In India at Rs. 15=£1.	In England £.	In India at Rs. 15=£1.	In England £.	In India at Rs. 15=£1.	In England £.		Credit.	Debit.	
	£	£	£	£	£	£	£	£	£	£	£
1878-79 -	1,000,000	208,549	597	—	—	—	—	209,146	790,854	—	790,854
1879-80 -	1,000,000	69,098	343	—	—	—	—	69,441	930,559	—	1,721,413
1880-81 -	1,000,000	21,759	1,831	—	—	—	—	23,590	976,410	—	2,697,823
1881-82 -	1,000,000	23,123	165	545,235	—	116,035	—	684,558	315,442	—	3,013,265
1882-83 -	1,000,000	14,735	—	86,876	—	385,094	—	486,705	513,295	—	3,526,560
1883-84 -	1,000,000	6,064	89	621,626	26	6,243	1,001,393†	1,635,441	—	635,441	2,891,119
1884-85 -	1,000,000	4,900	—	799,669	—	1,747	—	806,316	193,684	—	3,084,803
1885-86 -	1,000,000	27,130	—	517,205	22,263	100	—	566,698	433,302	—	3,518,105
1886-87 -	1,000,000	694	—	205,319	110,323	—	—	316,336	683,664	—	4,201,769
1887-88 -	1,000,000	268	—	60,671	200,815	—	—	261,754	738,246	—	4,940,015
1888-89 -	1,000,000	5,199	—	59,968	331,586	—	—	396,753	603,247	—	5,543,262
1889-90 -	1,000,000	45,525	—	*—39,135**	408,745	—	—	415,135	584,865	—	6,128,127
1890-91 -	1,000,000	3,719	—	*—45,643**	471,231	—	—	429,307	570,693	—	6,698,820
1891-92 -	1,000,000	15,615	—	51,284	500,245	—	—	567,144	432,856	—	7,131,676
1892-93 -	1,000,000	47,227	—	408,728	509,524	—	—	965,479	34,521	—	7,166,197
1893-94 -	1,000,000	331	—	425,677	515,531	—	—	941,539	58,461	—	7,224,658
1894-95 -	1,000,000	6,839	—	31,648	514,344	—	—	552,831	447,169	—	7,671,827
1895-96 -	1,000,000	12,201	—	60,051	506,670	—	—	578,922	421,078	—	8,092,905
1896-97 -	1,000,000	1,377,094	8,360	*—245,431**	514,099	—	—	1,654,122	—	654,122	7,438,783
1897-98 -	1,000,000	3,548,592	1,740	*—285,445**	523,717	—	—	3,788,604	—	2,788,804	4,650,179
1898-99 -	1,000,000	26,702	1	141,171	534,280	—	—	702,454	297,546	—	4,947,725
1899-1900-	1,000,000	2,071,201	3,717	*—195,213**	248,742	—	—	2,128,447	—	1,128,447	3,819,278
1900-01 -	1,000,000	4,117,428	7,802	*—277,907**	318,544	—	—	4,165,867	—	3,165,867	653,411
1901-02‡ -	1,000,000	556,000	200	*—193,500**	333,300	—	—	696,000	304,000	—	957,411
1902-03‡ -	1,000,000	423,200	—	*—239,700**	342,800	—	—	525,800	474,200	—	1,431,611
Total of 25 years	25,000,000	12,633,193	24,845	2,493,454	6,906,285	509,219	1,001,393	23,568,389	9,804,092	8,372,481	1,431,611

* In these years the net receipts on the Indian Midland and Bengal Nagpur Railways exceeded the charges for other protective works in India.

† In 1882-83 a remittance of Rs. 12,277,000 was made to England, realising 1,001,393*l.*, by means of which 993,584*l.* of sterling debt was discharged in 1883-84.

‡ Estimates.

TABLE XIII.

EXCHANGE.

From 1884–85 to 1898–99 the Accounts were so prepared as to bring the English transactions into tens of rupees by adding the Exchange, and combining the result with the Indian transactions. As sovereigns had been declared legal tender in India, and are at present interchangeable with rupees at the rate of 1 to 15 (equal to 16*d.* per rupee), it was decided that in the Accounts, with effect from the 1st of April, 1899, the Indian transactions should be converted into pounds at that rate, and the sterling transactions be added thereto, the result being given in pounds. But there will almost always be some addition or subtraction to be made on account of Exchange, owing to the extreme improbability that the remittances for the whole year will be effected at *exactly* 16*d.* per rupee, and to engagements to remit various sums at specified rates. There are also charges incurred in India for the increase of the pay of the European soldiers in India owing to the fall in Exchange, and for compensation to civil and military officers. In the following table the receipt (+) or charge (—) due to these several causes, during recent years, is shewn.

Years.	Amount required to defray Net Sterling Expenditure at		Difference between columns (2) and (3), being Exchange on Net Sterling Expenditure.		Exchange on Remittance Account.	Total of columns (5) and (6).	Other Charges for Exchange.		Grand Total (7) + (8) + (9).
	Average drawing rate.	Rupees 15 for £1.					Soldiers' Pay (approximate.)	Compensation to civil and military Officers.	
(1)	(2)	(3)	(4)	(5)	(6)	(7).	(8)	(9)*	(10)
	Rupees.	Rupees.	Rupees	£. at rupees 15 = £1.	£	£	£	£	£
1888-89	214,701,880	219,788,950	+ 5,086,970	+ 339,132	+ 634,295	+ 973,427	— *344,667*	—	+ 628,760
1889-90	210,259,220	217,697,320	+ 7,438,100	+ 495,874	+ 257,829	+ 753,703	— *421,267*	—	+ 332,436
1890-91	201,359,210	227,652,990	+ 26,293,780	+ 1,752,919	+ 52,132	+ 1,805,051	— *391,467*	—	+ 1,413,584
1891-92	225,419,890	235,751,700	+ 10,331,810	+ 688,787	+ 21,019	+ 709,806	— *271,467*	—	+ 438,339
1892-93	258,090,840	241,714,620	— *16,376,220*	— *1,091,748*	+ 13,124	— *1,078,624*	— *408,133*	—	— *1,486,757*
1893-94	257,929,380	234,500,420	— *23,428,960*	— *1,561,930*	+ 71,280	— *1,490,650*	— *568,133*	— *412,312*	— *2,471,095*
1894-95	284,030,500	232,559,730	— *51,470,770*	— *3,431,384*	+ 151,783	— *3,279,601*	— *756,200*	— *326,183*	— *4,361,984*
1895-96	270,651,760	230,699,300	— *39,952,460*	— *2,663,497*	+ 118,871	— *2,544,626*	— *770,933*	— *885,088*	— *4,200,647*
1896-97	256,909,850	232,030,930	— *24,878,920*	— *1,658,594*	+ 96,155	— *1,562,439*	— *735,467*	— *623,451*	— *2,921,357*
1897-98	250,171,070	240,069,010	— *10,102,060*	— *673,470*	+ 29,313	— *644,157*	— *605,267*	— *457,243*	— *1,706,667*
1898-99	241,234,330	240,909,540	— *324,790*	— *21,653*	+ 50,281	+ 28,628	— *438,900*	— *319,860*	— *730,132*
1899-1900 ..	240,920,722	241,939,545	+ 1,018,823	+ 67,922	— *148,871*	— *80,949*	— *333,300*	— *321,958*	— *736,207*
1900-1901 ..	255,169,103	254,743,215	— *425,888*	— *28,392*	— *3,457*	— *31,849*	— *307,700*	— *306,729*	— *646,278*
1901-1902 (Revised Estimate).	260,497,000	260,358,000	— *139,000*	— *9,300*	+ 53,900	+ 44,600	— *397,700*	— *302,600*	— *565,700*
1902-03 (Budget).	268,192,500	268,192,500	—	—	— *20,300*	— *20,300*	— *358,900*	— *335,300*	— *714,500*

* Of the Exchange Compensation, the following amounts were borne by the Provincial Governments, and did not affect the Imperial position :—1893-4, £151,673 ; 1894 5, £286,469 ; 1895 6, £302,097 ; 1896-7, £214,805 ; 1897-8, £163,073 ; 1898-9, £112,633 ; 1899-1900 £112,751 ; 1900-1901 £110,404 ; (Revised) 1901-1902, £109,500 ; (Budget) 1902-1903, £114,300.

TABLE XIV.

HOME CHARGES.

The following is an analysis of the net Expenditure in England charged on the Revenues of the year :—

Net Expenditure.	Account, 1900–1901.	Revised Estimate, 1901–1902.	Budget, 1902–1903.
	£	£	£
Interest and Management of Debt (excluding Interest charged in Railway Revenue Account)	3,092,978	2,978,600	3,058,600
Railway Revenue Account	6,144,067	6,411,900	6,565,400
Civil Administration:			
Payments on account of Departments in India, passage, outfit, &c. ..	42,976	41,300	26,900
Postal Subsidy	53,667	52,000	52,000
Telegraph: Red Sea Company's Annuity..	18,027	18,000	18,000
„ Indo-European	30,658	114,100	87,800
„ Zanzibar-Mauritius	10,000	—	—
Public Works: Civil Engineering College..	8,109	13,900	8,400
„ Other Charges	1,771	1,800	1,600
Marine: His Majesty's ships in Indian Seas	100,061	107,400	105,000
„ Indian Government Defence Vessels	85,250	62,400	61,600
„ Other Charges	1,803	5,000	5,000
India Civil Service: Allowances to Candidates, Examinations, &c. ..	7,889	8,000	7,600
Lunatics: Maintenance	3,120	3,000	2,900
Political Charges: Persian Mission and Minor Consulates	10,065	6,900	6,000
„ Diplomatic and Consular Establishments in China ..	12,500	—	—
„ Pensions: Territorial and Political	20,805	10,700	10,700
„ Other Charges	2,003	5,000	28,500
India Office: Salaries of Establishment	129,259	130,700	130,600
„ Auditor's Department	7,009	7,400	7,400
„ Store Department	23,871	23,300	23,800
„ Stationery, Postage, Telegrams, and other Charges	22,402	13,600	21,500
Army, Effective: Home Charges of British Forces serving in India (including after 1900–1901 receipt on account of Aden)	700,944	366,600	674,500
„ „ *Troop Service and Transport (including after 1900–1901 receipt from War Office)..	103,389	65,000	139,000
„ „ Other Charges	20,580	23,100	42,000
Stores: Civil and Public Works	246,228	271,600	235,700
„ Telegraph	152,423	172,300	175,000
„ Marine	164,909	128,700	77,300
„ Military	980,530	1,440,700	1,348,600
„ Miscellaneous Charges	11,170	10,000	10,000
Furlough: Civil and Marine..	250,864	257,500	257,500
„ Military	232,781	302,000	326,000
„ Telegraph and Public Works	55,982	56,000	61,000
Non-Effective Charges: Civil and Marine..	1,272,763	1,307,100	1,325,700
„ Military	2,962,028	2,941,600	2,977,900
Total	16,982,881	17,357,200	17,679,500

After allowing for the grant of £257,000 by the Imperial Government, in consequence of the report of the Royal Commission on Indian Expenditure, there is an increase in the Budget for 1902–1903, as compared with the Account for 1900–1901, of £291,340 in Stores, which occurs especially in those for the Army, of £421,333 in the Railway Revenue Account, of £104,873 in the Furlough Pay; of £99,396 for Army Services; and of £32,614 in other payments; so that the total increase in the net sterling Expenditure is £896,619.

The Expenditure in England not charged on the Revenues of the year, according to the Account and Estimates, is as follows :—

Expenditure.	Account, 1900–1901.	Revised Estimate, 1901–1902.	Budget, 1902–1903.
	£	£	£
Capital outlay on construction of State Railways	647,002	859,000	1,737,000
„ on Irrigation Works	7,877	7,000	5,300
Total	654,879	866,000	1,742,300

TABLE XV.

RAILWAYS.

Length of Railways in India sanctioned on 31st March 1902 ... 27,813 miles.
" " " opened for traffic " " ... 25,529 "

Length opened in 1901–1902.

	Miles.
Jodhpur-Bikaner	88
Ludhiana-Dhuri-Jakhal	80
Shoranur-Cochin	65
Burma	54
Madras: Calicut to Tellicherry	43
Vizapur-Kâlol	30
Nanpada-Parlakimedi	25
Petlad-Cambay	19
Other lines	56
Total	460

Additional Length sanctioned in 1901–1902.

	Miles.
Rewari-Phulera Chord	133
Allahabad-Fyzabad	95
Azikhal-Mangalore	78
Bengal-Nagpur: Branches...	62
Gwalior to Sabulgarh	56
Jech Doab	51
Noakhali	39
Sabarmati-Dholka	34
Ballia to Ghazipur	31
Barsi to Tadwala	28
Other lines	26
Total	633

Results of Working the Railways.

Including Capital Expenditure on Steam-boat Service and Suspense Account, but excluding other indirect charges, the following are the general results of working the Railways for the last three calendar years :—

	1899.	1900.	1901.
Miles open at end of year	23,354	24,633	25,215
Capital outlay at end of year £	190,562,007	214,212,454	219,483,419
Average cost per open mile "	8,160	8,696	8,704
Number of passengers carried ...	162,543,195	174,076,829	195,420,555
Number of tons of goods carried ...	40,465,859	41,478,542	44,186,874
Gross receipts ... ... £	19,581,208	21,035,191	22,143,785
Working expenses ... "	9,317,842	10,032,608	10,491,530
Net receipts ... ... "	10,263,366	11,002,583	11,652,255
Percentage of net receipts on capital cost	5·39	5·14	5·31

For the official years, the Receipts and Expenditure are as follows :—

Railway Revenue Account.	Account, 1900–1901.	Revised Estimate, 1901–1902.	Budget, 1902–1903.
	£	£	£
Receipts	18,293,629	20,178,100	19,949,400
Expenditure	17,968,505	19,360,400	19,654,500
Net Receipt ...	**325,124**	**817,700**	**294,900**

This result is arrived at after charging in the Railway Revenue Account the following sums on account of the redemption of Capital which is included in the annuities issued for the purchase of guaranteed railways :—

	Redemption of Capital. £
Account, 1900–1901	402,024
Revised Estimate, 1901–1902	590,100
Budget, 1902–1903	610,200

TABLE XVI.

The following statement shows the Capital Outlay at the charge of the principal Railways on the 31st of March, 1901, with the net receipts, and the percentage of net receipts on the outlay :—

Classes of Railways.	Names of Railways.	Capital at Charge, March 31st, 1901.	Net Receipts, 1900-1901.	Percentage of Net Receipts on Capital Outlay.
		£	£	
Guaranteed ...	Bombay, Baroda, and Central India...	10,348,872	599,048	5·79
	Madras	11,469,895	392,082	3·42
State	East Indian	37,661,327	3,023,408	8·02
	Rajputana—Malwa	10,175,933	1,016,206	9·99
	Bengal—Nagpur	14,190,835	451,191	3·18
	Burma	7,019,643	334,535	4·76
	Assam—Bengal	6,642,307	26,390	·39
	Eastern Bengal...	9,257,659	597,459	6·45
	Bengal Central	995,748	38,821	3·90
	Tirhoot	2,771,967	57,325	2·07
	Oudh and Rohilkhand	11,495,510	382,254	3·33
	Indian Midland	8,049,441	301,504	3·74
	Rohilkhand—Kumaon	672,315	45,527	6·77
	North-Western	36,797,360	891,160	2·42
	South Indian	6,376,153	307,992	4·83
	East Coast	4,170,876	179,941	4·31
	Mysore	1,155,789	32,895	2·85
	Great Indian Peninsula	27,147,967	1,291,889	4·76
	Southern Mahratta	7,865,470	142,776	1·82
	Other lines	1,403,570	47,692	3·39
	Total, State and Guaranteed open lines.	215,668,637	10,160,095	4·71

TABLE XVII.

IRRIGATION WORKS.

Financial Result.	Account, 1900–1901.	Revised Estimate, 1901–1902.	Budget, 1902–1903.
	£	£	£
Major Works :			
Direct receipts	1,651,410	1,597,300	1,714,900
Portion of Land Revenue due to Irrigation	749,083	811,400	838,900
Total Revenue	2,400,493	2,408,700	2,553,800
Working Expenses	689,090	705,800	737,900
Net Revenue	1,711,403	1,702,900	1,815,900
Interest on Debt	921,328	944,100	969,800
Net Receipt	790,075	758,800	846,100
Minor Works and Navigation : net Charge	554,483	552,700	771,800
Total net Receipt ...	235,592	206,100	74,300

Capital Outlay.	To the end of 1899–1900.	During 1900–1901.	Estimated in		Total to end of 1902–1903.	Percentage of net Revenue in 1900–1901 on Capital Outlay.
			1901–1902.	1902–1903.		
	£	£	£	£	£	
Bengal : Orissa Project	1,721,818	2,135	3,200	5,500	1,732,753	— ·04
Midnapore Canal ...	552,584	—	400	—	552,984	·86
Son Canals	1,722,315	640	600	800	1,724,355	2·09
N.-W. Provinces : Ganges Canal ...	1,886,739	5,250	3,400	33,900	1,929,289	12·45
Lower Ganges Canal.	2,243,453	4,859	3,900	6,400	2,258,612	3·96
„ Fatehpur Branch.	198,381	5,763	6,200	9,900	220,244	— ·61
Agra Canal ...	592,097	3,149	2,000	2,800	600,046	7·78
Eastern Jumna Canal.	244,738	4,976	4,500	7,700	261,914	28·25
Betwa Canal ...	276,911	7,642	3,000	7,300	294,853	— ·69
Punjab : Western Jumna Canal ...	1,085,530	3,819	5,400	4,100	1,098,849	9·90
Bari Doab Canal ...	1,174,330	11,841	44,300	40,000	1,270,471	13·61
Sirhind Canal (State outlay)	1,544,261	7,760	700	12,000	1,564,721	9·80
Chenab Canal	1,637,879	46,365	47,000	80,000	1,811,244	14·69
Jhelum Canal	227,856	228,603	156,900	140,000	753,359	—
Swat River Canal ...	265,515	599	500	4,000	270,614	10·96
Madras : Godavari Delta System ...	748,339	5,184	6,700	4,700	764,923	20·97
Kistna Delta System ...	846,061	9,006	16,800	27,400	899,267	17·29
Pennér River Canals System.	326,327	6,856	9,300	10,400	352,883	6·56
Periyar Project	567,217	3,336	3,300	8,300	582,153	3·57
Rushikulya Project ...	290,068	2,568	3,000	4,700	300,336	·29
Bombay : Eastern Nara Works ...	404,851	— *9,352*	8,400	9,000	412,899	7·44
Jamrao Canal	433,281	60,395	29,600	28,200	551,476	3·62
Mutha Canals	428,426	398	2,400	10,500	441,724	2·21
Nira Canal	357,039	112	—	800	357,951	1·59
Burma : Mandalay Canal ...	176,178	57,377	37,000	33,300	303,855	—
Other Works	2,762,527	153,151	230,100	289,200	3,434,978	—
Total	22,714,721	622,432	628,700	780,900	24,746,753	7·33

The chief grants in 1902–1903 are for the Jhelum, Chenab, Bari Doab, Ganges, Mandalay, and Jamrao Canals, and the Kistna Delta Works.

TABLE XVIII.

CONSTRUCTION OF PUBLIC WORKS.

	Account, 1900–1901.	Revised Estimate, 1901–1902.	Budget, 1902–1903.
	£	£	£
Outlay by Government :—			
Not charged to Revenue :—			
State Railways	3,450,475	3,700,900	4,893,300
Irrigation	590,483	553,500	666,700
Charged to Revenue :—			
State Railways	— *822*	— *54,800*	87,600
Irrigation	35,321	75,300	114,200
	4,075,457	4,274,900	5,761,800
Outlay by Railway Companies guaranteed or subsidized by Government :—			
Old Guaranteed Companies	275,613	583,100	286,700
Other Companies guaranteed or assisted ...	1,563,987	1,949,700	2,147,300
Branch lines on firm guarantee	27,693	23,300	6,000
	1,867,293	2,556,100	2,440,000
Total outlay by Government or with Government assistance	5,942,750	6,831,000	8,201,800
Further outlay : Branch Railways not on firm guarantee	29,461	20,700	80,900
Railways outside Government accounts ...	206,020	328,400	506,900
Local Railways	14,394	107,100	—
	249,875	456,200	587,800
Total : Railways :—			
Not charged to Revenue :—			
Open Lines ... ... }	5,317,768	{ 2,464,100	3,672,100
Under Construction ... ... }		{ 3,792,900	3,661,200
Charged to Revenue	— *822*	— *54,800*	87,600
Branch Lines not on firm guarantee, &c.	249,875	456,200	587,800
Total	5,566,821	6,658,400	8,008,700
Irrigation	625,804	628,800	780,900
Grand Total	6,192,625	7,287,200	8,789,600

TABLE XIX.

DEBT.*

Increase or Decrease.

	Account, 1900-1901.	Revised Estimate, 1901–1902.	Budget, 1902–1903.
	£	£	£
In India	2,206,745	270,800	910,000
In England	3,500,000†	1,009,300	131,200
Total	5,706,745	1,280,100	1,041,200

* Including temporary debt, but excluding the cancelment of debt by the operation of the sinking funds, which is charged against revenue.

† Excluding the liability for the debenture debt of the Great Indian Peninsula Railway Company incurred on the purchase of its undertaking, amounting to £5,922,350.

TABLE XX.

SEA-BORNE TRADE.

[Fifteen rupees taken as equal to £1.]

	1899–1900.	1900–1901.	1901–1902.
	£	£	£
Imports of Private Merchandise	47,141,242	50,851,923	54,313,692
Government stores	3,061,745	3,077,803	4,847,921
Total merchandise	50,202,987	53,929,726	59,161,613
Treasure—Private	13,972,342	10,975,739	13,098,920
Government	10,115	5,408,769	815,304
Total treasure	13,982,457	16,384,508	13,914,224
Total imports	64,185,444	70,314,234	73,075,837
Exports of Indian Produce and Manufactures	70,455,797	69,470,232	80,555,781
Foreign goods (re-exports)	2,194,994	2,139,021	2,173,550
Government stores	71,424	233,024	287,241
Total merchandise	72,722,215	71,842,277	83,016,572
Treasure—Private	5,300,027	4,982,970	5,641,711
Government	4,231	4,501,960	2,005,529
Total treasure	5,304,258	9,484,930	7,647,240
Total exports	78,026,473	81,327,207	90,663,812
Total Sea-borne trade	142,211,917	151,641,441	163,739,649

Analysis of the Imports of Merchandise.

	1899–1900.	1900–1901.	1901–1902.
Private Merchandise.			
	£	£	£
I. Animals, living	202,329	324,880	311,042
II. Articles of Food and Drink:			
Grain and Pulse	484,662	639,353	193,693
Liquors	1,064,985	1,077,939	1,109,705
Provisions	1,125,498	1,317,144	1,323,077
Salt	407,997	377,338	517,943
Spices	611,015	586,071	565,056
Sugar	2,251,086	3,770,144	3,901,910
Tea	105,762	169,142	106,860
Other articles	106,848	111,230	86,508
Total	6,157,853	8,048,361	7,804,752
III. Metals and their Manufactures:			
Copper	352,758	611,422	720,296
Iron	1,612,932	2,093,322	1,935,988
Steel	667,234	955,099	1,310,189
Other metals	487,579	627,814	636,480
Hardware, cutlery, implements, and sewing machines	1,060,195	1,227,649	1,137,758
Machinery and millwork	1,694,602	1,505,039	2,003,920
Railway plant and rolling stock (not Government stores)	1,851,385	894,080	1,024,287
Total	7,726,685	7,914,425	8,768,918
IV. Chemicals, Drugs, &c....	1,287,658	1,483,749	1,606,389

	1899–1900.	1900–1901.	1901–1902.
	£	£	£
V. Oils :			
Kerosine	1,959,988	2,068,958	2,343,638
Other kinds	324,127	435,722	468,780
Total	2,284,115	2,504,680	2,812,418
VI. Raw Materials and Unmanufactured Articles :			
Coal, coke, and patent fuel	540,143	204,493	300,596
Cotton	308,206	467,250	135,679
Ivory	70,331	106,499	103,185
Precious stones and pearls, unset	618,231	384,950	740,260
Silk	384,059	677,960	539,747
Wood	56,969	151,152	190,122
Other articles	481,766	479,387	534,805
Total	2,459,705	2,471,691	2,544,394
VII. Articles Manufactured and partly Manufactured :			
A. Yarns and textile fabrics :			
Cotton twist and yarn	1,633,341	1,659,477	1,764,684
„ piece goods	17,275,155	17,495,076	19,434,418
„ other sorts	726,254	735,676	730,872
Flax, hemp, and jute	160,286	191,631	203,242
Silk	753,221	1,110,540	989,801
Wool	1,172,001	1,408,384	1,312,999
B. Apparel, including boots and shoes ...	976,204	1,026,518	1,129,424
C. Other manufactured articles :			
Arms, ammunition, &c.	168,764	156,385	181,318
Carriages, carts, &c.	176,541	156,791	206,627
Glass	511,101	503,451	616,885
Instruments and apparatus	259,905	309,128	346,449
Matches	231,729	265,372	291,028
Paints and colours, and painters' materials	231,433	269,323	285,970
Paper and pasteboard	274,212	302,000	351,440
Stationery (excluding paper)	195,844	211,250	215,237
Umbrellas	182,021	180,022	120,282
Other articles	2,094,885	2,123,113	2,285,103
Total	27,022,897	28,104,137	30,465,779
Total Private Merchandise	47,141,242	50,851,923	54,313,692
Government Stores.			
Railway plant and rolling stock	1,684,218	1,703,631	2,366,430
Arms, ammunition, &c.	65,706	191,247	553,502
Metals, hardware, machinery, &c.	645,534	604,555	770,373
Other Stores	666,287	578,370	1,157,616
Total	3,061,745	3,077,803	4,847,921

Analysis of the Exports of Indian Produce and Manufactures.

	1899–1900.	1900–1901.	1901–1902.
	£	£	£
I. Animals, living	133,810	145,833	142,634
II. Food and Drink :			
Coffee	989,809	818,967	833,480
Rice	8,731,366	8,812,766	9,124,529
Wheat (including flour)	2,862,956	258,933	2,422,674
Other grain and pulse	471,167	282,526	494,462
Provisions	411,373	385,037	405,592
Spices	365,530	361,010	493,884
Sugar	224,954	113,967	60,108
Tea	6,061,408	6,367,287	5,432,993
Other articles	133,331	135,863	123,473
Total	20,251,894	17,536,356	19,391,195

	1899-1900.	1900-1901.	1901-1902.
	£	£	£
III. Metals and their Manufactures	142,778	315,360	199,935
IV. Chemicals, Drugs, Dyeing Materials, &c.:			
Opium	5,469,143	6,303,624	5,681,990
Indigo	1,795,007	1,423,987	1,234,837
Myrabolams	235,447	211,212	237,577
Saltpetre	256,196	226,355	237,870
Tobacco	121,193	103,274	231,231
Other articles	364,355	323,768	283,956
Total	8,241,341	8,592,220	7,907,461
V. Oils	579,099	437,678	461,171
VI. Raw Materials:			
Coal and Coke	218,674	395,912	377,272
Cotton	6,616,710	6,751,600	9,617,396
Fodder	381,006	467,589	482,900
Hemp	168,830	224,826	256,353
Hides and skins	4,592,233	4,658,968	3,717,759
Jute	5,381,098	7,245,171	7,864,848
Manures (bones, &c.)	408,581	394,228	344,174
Seeds: Castor	348,422	437,810	572,611
„ Earthnuts	66,535	109,920	524,948
„ Linseed	3,002,145	2,970,673	4,509,196
„ Poppy	407,646	457,684	521,156
„ Rape	1,346,903	823,830	2,970,403
„ Til or jinjili	1,339,972	1,037,238	1,429,291
„ Other sorts	221,396	172,202	658,573
Silk	465,740	341,471	442,281
Wood: teak and other	695,384	670,202	548,954
Wool	904,250	601,996	529,217
Other articles	691,529	716,049	525,076
Total	27,257,054	28,477,369	35,892,408
VII. Articles Manufactured and partly Manufactured:			
Yarns and textile fabrics:			
Cotton twist and yarn	4,601,452	2,780,392	6,211,130
„ piece goods	841,163	955,486	950,332
„ other sorts	73,468	66,092	82,072
Jute: Gunny bags	2,345,919	2,957,581	3,150,550
„ „ cloths, rope, twine, &c. ...	1,830,314	2,285,487	2,657,062
Other kinds (silk, wool, &c.)	257,694	283,194	250,158
Other manufactured articles:			
Coir manufactures (except rope)	221,540	267,829	251,588
Hides and skins, dressed or tanned ...	2,383,018	2,996,124	1,769,364
Lac	749,877	699,865	541,517
Other articles	545,376	673,366	697,204
Total	13,849,822	13,965,416	16,560,977
Total Indian Produce and Manufactures	70,455,797	69,470,232	80,555,781

Analysis of the Re-exports of Foreign Merchandise.

	1899-1900.	1900-1901.	1901-1902.
	£	£	£
Cotton goods, including twist and yarn	896,344	831,212	965,265
Metals	114,878	138,776	79,318
Sugar	76,309	54,862	44,321
Tea	56,578	87,528	55,956
Wool and its manufactures	324,056	247,810	260,792
Other articles	726,829	778,833	767,898
Total	2,194,994	2,139,021	2,173,550

Movement of Treasure.

	1899–1900.	1900–1901.	1901–1902.
	£	£	£
Gold: Imports: Bullion	2,308,778	2,349,999	
Coin: British	5,323,753	4,489,715	
„ Other	—	1,092,299	
Total	7,632,531	7,932,013	5,538,356
Exports: Bullion	1,330,053	6,685,702	
Coin: British	8,744	663,781	
„ Other	—	21,107	
Total	1,338,797	7,370,590	4,246,596
Net Imports: Bullion	978,725	*—4,335,703*	
Coin	5,315,009	4,897,126	
Total	6,293,734	561,423	1,291,760
Silver: Imports: Bullion	5,959,455	7,937,025	
Government Rupees	307,030	349,574	
British Dollars and other Coin ...	83,441	165,896	
Total	6,349,926	8,452,495	3,375,867
Exports: Bullion	18,743	124,005	
Government Rupees	954,711	934,686	
British Dollars	2,977,902	1,013,428	
Other Coin	14,105	42,221	
Total	3,965,461	2,114,340	3,400,644
Net Imports: Bullion	5,940,712	7,813,020	
Government Rupees ...	*— 647,681*	*— 585,112*	
British Dollars and other Coin	*— 2,908,566*	*— 889,753*	
Total	2,384,465	6,338,155	4,975,223
Net imports of treasure on private account	8,672,315	5,992,769	7,459,209
„ „ by Government	5,884	906,809	*—1,190,225*
Total	8,678,199	6,899,578	6,266,984
Value of Fractional silver coined	616,111	77,960	
„ Rupees coined for the Government of India ...	867,872	11,431,955	
„ British dollars coined	4,650,603	1,432,550	
„ Coinage for Native States	—	2,478	

* For Bhopal and Kashmir.

Shipping.

	1899–1900.		1900–1901.		1901–1902.	
	No.	Tons.	No.	Tons.	No.	Tons.
Vessels with cargoes entered ...	3,301	3,413,391	3,056	3,164,095	3,318	3,778,298
cleared ...	3,820	4,024,482	3,762	3,908,069	3,842	4,571,052

TABLE XXI.

ASSETS AND LIABILITIES, MARCH 31ST, 1902.

Assets.	£	*Liabilities.*	£
Railways constructed by the State	74,794,000	Debt in India	77,461,000
„ purchased „ „	85,219,000*	„ England	134,307,000
Irrigation Works	24,105,000	Other obligations	14,241,000
Loans to Corporations, &c.... ...	12,965,000		
Advances to Railway Companies...	8,818,000		226,009,000
Gold Reserve Fund	3,454,000	Excess of Assets over Liabilities,	
Cash Balances in India	12,046,000	in India and in England	1,240,000
„ „ England	5,848,000		
	227,249,000		227,249,000

* This figure represents the capital expenditure by Companies on six Railways previous to their purchase by the State. Two were bought with cash obtained by the creation of debt in England; the others partly by the creation of such debt, but mainly by means of Annuities expiring respectively in 1953, 1957, 1958, and 1948, and at present amounting altogether to about £3,000,000. It is calculated that in 1902–3 the portion paid on account of redemption of capital will be about £610,000. In accordance with the several Acts of Parliament regulating the annuities, they are charged on and payable out of the Revenues of India, to which the earnings of the purchased railways are credited.

TABLE XXII.

BURDEN OF TAXATION.

	Account, 1900–1901.	Revised Estimate, 1901–1902.	Budget, 1902–1903.
	£	£	£
Salt	5,709,900	5,733,500	5,711,700
Stamps	3,304,800	3,457,200	3,441,000
Excise	3,892,600	4,031,100	4,072,600
Provincial Rates	2,559,500	2,741,500	2,731,100
Customs	3,274,400	3,733,900	3,517,400
Assessed Taxes	1,313,700	1,364,600	1,357,300
Registration	311,800	316,500	312,200
Total	20,366,700	21,378,300	21,143,300
According to the census taken in 1901, the population of British India was 231,085,000. On this basis, and allowing for the increase of population at the rate of two-fifths of one per cent. per annum, the payment per head, on the assumption that the whole of the taxation from Salt, Excise, Customs, &c., is paid by the inhabitants of British India, is...	*s. d.* 1 9	*s. d.* 1 10	*s. d.* 1 9¾
If the payment of Land Revenue be added, the average becomes	3 2½	3 4½	3 3¼

ROYAL LIBRARY OF THE BOMBAY BRANCH OF THE SOCIETY

APPENDIX II.

STATEMENT showing the Principal FIGURES in the INDIAN ACCOUNTS for 1899–1900 and 1900–1901, and ESTIMATES for 1901–1902 and 1902–1903, with Explanations.

REVENUE AND EXPENDITURE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
	£	£	£	£	
Revenue	68,637,164	75,272,291	76,546,700	74,370,400	The result of 1900–1901 is worse than that of 1899–1900 by £1,104,419.
Expenditure charged on the Revenue of the year.	65,862,541	73,602,087	71,873,800	73,532,700	The estimated result of 1901–1902 is better than that of 1900–1901 by £3,002,696.
Surplus	2,774,623	1,670,204	4,672,900	837,700	The estimated result of 1902–1903 is worse than that of 1901–1902 by £3,835,200.
Total Expenditure, Imperial and Provincial, during the Year.	66,068,761	73,411,499	70,656,800	74,900,800	In 1900–1901 and 1901–1902 the Provincial Governments did not spend their full income. On the other hand, in 1899–1900, and according to the Budget Estimate for 1902-1903, they spent, or are expected to spend, from their accumulated balances, a portion of the unspent income of former years, in addition to the income of the current year.
Portion thereof defrayed by Provincial Governments from their Balances.	*206,220*	—	+	*1,368,100*	
Portion of allotments to Provincial Governments unspent by them, and added to their Balances.	—	190,588	1,217,000	—	
Expenditure charged on the Revenue of the year.	65,862,541	73,602,087	71,873,800	73,532,700	

STATEMENT showing the Principal Figures in the Indian Accounts for 1899–1900 and 1900–1901,

REVENUE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
PRINCIPAL HEADS OF REVENUE:	£	£	£	£	
Land Revenue	17,205,056	17,503,031	18,469,900	17,790,100	In 1900–1901 there was some increase in Madras, Burma, and the Punjab. In 1901–1902 there is a great improvement in Bombay, the Central Provinces, and the Punjab. In 1902–1903 a reduction is anticipated in those three provinces and in the United Provinces of Agra and Oudh.
Opium	4,401,982	5,102,242	4,854,100	4,229,000	The number of chests sold monthly in Calcutta was 3,400 in 1899, 3,700 in 1900, and was raised to 4,000 in January 1901. The average price per chest was 1,221 rupees in 1899–1900, 1,361 in 1900–1901, 1,297 in 1901–1902, and is estimated at 1,100 rupees in 1902–1903. The number of chests of Malwa opium passed for export was 25,492 in 1899–1900, 25,053 in 1900–1901, and is estimated at 16,400 in 1901–1902, and the same in 1902–1903. The duty is 500 rupees per chest.
Salt	5,850,463	5,967,034	5,996,700	5,973,300	The duty on salt is 2½ rupees a maund throughout India (except in Burma, where it is one rupee a maund). The receipts in 1899–1900 were affected by the famine.
Stamps	3,265,476	3,342,948	3,494,700	3,478,100	The increase in 1900–1901 occurred especially in the North-West Provinces. In 1901–1902 it was general, chiefly in Bengal.
Excise	3,859,942	3,937,202	4,086,500	4,120,300	In 1900–1901 there was a considerable improvement in Bengal, the North-West Provinces, and Burma, but in Bombay there was a large reduction. In 1901–1902 the increase occurred chiefly in Madras and the United Provinces; and in 1902–1903 it is expected mainly in Bombay.

and Estimates for 1901–1902 and 1902–1903, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
DIRECT DEMANDS ON THE REVENUES:	£	£	£	£	
Refunds and Drawbacks	190,402	209,823	224,700	197,500	In the Net Statement on page 58 these charges have been deducted from the various heads of revenue to which they relate. There were large refunds of customs dues in Bombay in 1900-1901 and 1901–1902, and in the latter year of certain cesses in Madras.
Assignments and Compensations.	1,057,692	1,021,932	1,035,000	1,040,500	
CHARGES IN RESPECT OF COLLECTION:					
Land Revenue	2,748,739	2,815,599	2,863,700	3,065,500	In 1900–1901 the increase was chiefly in Madras, Burma, Bombay, and the North-West Provinces. In 1901–1902 it is principally in Bengal, Burma, and the Central Provinces. In 1902–1903 it is general, and is to some extent due to the special grants aggregating £47,200 made by the Government of India to meet these charges.
Opium	1,727,154	1,785,875	1,608,400	1,773,300	In 1901–1902 the payments were reduced, owing to a poor poppy crop.
Salt...	331,756	336,933	339,700	358,300	In the Budget full provision is made for establishments.
Stamps	101,289	102,939	106,400	116,400	The increase in 1902–1903 arises chiefly in Bengal.
Excise	161,509	161,176	166,200	205,700	In 1901–1902 and 1902–1903 the increase occurs mainly in Burma, where a considerable expenditure on preventive establishments is necessary.

STATEMENT showing the Principal Figures in the Indian Accounts for 1899–1900 and 1900–1901,

REVENUE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
PRINCIPAL HEADS OF REVENUE—*continued.*	£	£	£	£	
Provincial Rates	2,498,783	2,562,713	2,748,700	2,734,500	In 1900–1901 the improvement took place especially in Madras. In 1901–1902, owing to recovery from famine, there was a considerable increase in the Central Provinces, the Punjab, and Bombay.
Customs	3,133,791	3,371,597	3,831,900	3,600,000	In 1900–1901 there was an increase owing to abnormal imports of sugar, and also from the duty on petroleum and manufactured articles, but a decline in the imports of silver. In 1901–1902. the improvement arose from large imports of sugar, silver, cotton goods, and petroleum; and the Budget allows for a material reduction of the receipts from those articles.
Assessed Taxes	1,300,295	1,322,094	1,371,800	1,364,500	An Income Tax of 5 pies in the rupee (equal to $6\frac{1}{4}d.$ in the £, or 2·6 per cent.) is imposed on incomes of 2,000 rupees a year and upwards, and a tax of 4 pies in the rupee (equal to $5d.$ in the £, or about 2 per cent.) on incomes below 2,000 rupees and not less than 500 rupees a year, if derived from salaries, pensions, profits of companies, or interest on securities; other incomes are assessed on a scale varying from $1\frac{1}{2}$ to $2\frac{3}{5}$ per cent.; incomes derived from agriculture, being already liable to pay the Provincial Rates imposed on land in 1877–1878, are exempted from this Income Tax. The increase in 1901–1902 occurred chiefly in Bengal.
Forest	1,235,425	1,297,863	1,191,900	1,290,400	In 1900–1901 there were special receipts in Bombay from famine grass operations. The reduction in 1901–1902 was principally in Burma.
Registration	288,089	312,558	317,300	313,200	
Tributes from Native States.	615,028	577,823	591,600	607,000	The reduction in 1900–1901 arose from the absence of arrears which had increased the receipts of 1899–1900, and from smaller fees on succession in Bombay.
TOTAL ... £	43,654,330	45,297,105	46,955,100	45,500,400	

and Estimates for 1901-1902 and 1902-1903, with Explanations—*continued.*

EXPENDITURE.	Accounts. 1899-1900.	Accounts, 1900-1901.	Revised Estimate, 1901-1902.	Budget Estimate, 1902-1903.	REMARKS.
DIRECT DEMANDS ON THE REVENUES — *continued.*					
CHARGES IN RESPECT OF COLLECTION—*continued.*	£	£	£	£	
Provincial Rates	35,461	33,975	40,100	46,600	
Customs	153,953	161,930	161,300	168,700	
Assessed Taxes	22,158	22,398	24,100	24,400	
Forest	730,175	730,164	709,200	824,000	In 1899-1900 and 1900-1901 there was special expenditure in Bombay on a scheme for supplying fodder to cattle in the famine-stricken districts. The increase in 1902-1903 is general, notably in Burma.
Registration	163,799	169,597	171,200	175,100	
TOTAL ... £	7,424,087	7,552,341	7,450,000	7,996,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1899–1900 and 1900–1901,

REVENUE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
	£	£	£	£	
INTEREST	605,815	651,479	777,900	764,200	The greater part of the increase is due to the large loans to Native States and advances to cultivators in recent years. In 1901–1902 the receipts in England from the use of the surplus cash balance were unusually great.
POST OFFICE	1,308,315	1,357,156	1,371,700	1,377,100	From 1893–1894 the revenue of the Post Office has exceeded the expenditure. The rates for parcels, and the commission on money orders not exceeding 5 rupees, have been recently reduced.
TELEGRAPH	832,673	895,816	889,900	831,400	From 1888–1889 to 1900–1901 the receipts (except in 1890–91) exceeded the expenditure in the Telegraph department. There was in 1899–1900 and 1900–1901 an abnormal use of telegrams in connection with the wars in South Africa and China, and the movements of grain due to the famine. The reduction anticipated in 1902–1903 is due to the charge for foreign telegrams being lowered from 4*s.* to 2*s.* 6*d.* a word.
MINT	345,091	3,172,875	547,700	66,200	In 1899–1900 it became necessary to coin rupees in consequence of the great demand for them; and there was also an issue of British dollars, and of copper coin needed at the relief works. In 1900–1901 the net profit from the coinage of rupees, which amounted to £3,031,294, is entered on both sides of the account, it having been decided that from the 1st of April 1900 the revenue so obtained should be paid to a Gold Reserve Fund. As the amount of any such profit is quite uncertain, and does not affect the surplus, it is omitted from both sides in the Budget. The receipts in 1901–1902 arose mainly from the coinage of rupees for the Government of India, but also of rupees for certain Native States, of dollars, and of copper.

and Estimates for 1901-1902 and 1902-1903, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1899-1900.	Accounts, 1900-1901.	Revised Estimate, 1901-1902.	Budget Estimate, 1902-1903.	REMARKS.
INTEREST.	£	£	£	£	
Interest on Debt	6,674,637	7,074,433	7,078,900	7,175,000	
Deduct amount chargeable to Railways;	*4,184,535*	*4,376,699*	*4,558,200*	*4,686,400*	
and to Irrigation Works	*896,749*	*921,328*	*944,100*	*969,800*	
Remainder chargeable on Ordinary Debt.	1,593,353	1,776,406	1,576,600	1,518,800	In 1900-1901 there was a reduction of £21,025 in India in consequence of the transfer of debt to the Public Works portion; but in England the charge was increased by £204,078, mainly owing to the discount of £143,008 on the issue of £3,000,000 India Stock. The reduction in 1901-1902 and 1902-1903 is consequent on the capital charged against Public Works exceeding the total increase of debt.
Interest on other Obligations.	354,745	362,540	378,700	396,300	The increase is chiefly on Savings Bank balances.
TOTAL ... £	1,948,098	2,138,946	1,955,300	1,915,100	
POST OFFICE	1,182,247	1,222,214	1,276,500	1,354,000	The increase is partly due to administrative improvements long needed in the Presidency and District Offices, and partly to the normal expansion of the department.
TELEGRAPH	726,782	782,687	918,000	945,200	The increase is largely due to the capital expenditure rendered necessary by the opening of new railways and canals, and by other extensions of the telegraph lines; but in 1901-1902 there is an increase of £85,328 in the payments to the Indo-European Telegraph Company, of which a large part is for the Jask-Muscat cable. In 1902-1903 also there is a considerable increase for the Central Persian line.
MINT	55,908	3,152,759	499,800	111,300	The payments in 1900-1901 and 1901-1902 to the Gold Reserve Fund are explained in the note on page 40. Those in the Budget for 1902-1903 are largely due to the re-coinage of the 1840 rupees.

STATEMENT showing the Principal Figures in the Indian Accounts for 1899–1900 and 1900–1901,

REVENUE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
CIVIL DEPARTMENTS:	£	£	£	£	
Law and Justice	462,922	473,752	474,600	488,300	
Police	284,190	298,895	293,300	290,900	
Marine	136,454	154,463	143,600	136,200	In 1900–1901 there were large credits for the hire of vessels employed on Imperial Service, for pilotage receipts in Bengal, and for coast light dues in Burma.
Education	158,326	162,470	168,800	173,000	
Medical	62,569	63,826	68,500	72,300	
Scientific and other Minor Departments.	80,583	89,670	95,900	104,000	The increase in 1900–1901 was largely due to the sale of quinine and aluminium ware. To the latter cause is also mainly attributable the improvement in the Budget for 1902–1903.
TOTAL .. £	1,185,044	1,243,076	1,244,700	1,264,700	

and Estimates for 1901–1902 and 1902–1903, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
CIVIL DEPARTMENTS:	£	£	£	£	
General Administration ...	1,384,076	1,339,682	1,352,500	1,362,300	In 1899–1900 there were exceptional payments in England, of £58,729 for the purchase of land, &c., under the India Office (Store Depôt) Act, and of £4,875 for the installation of electric light at the India Office. In 1902–1903 the increase is chiefly due to the creation of the North-West Frontier province.
Law and Justice	2,765,684	2,921,373	2,925,800	3,065,400	In 1900–1901 the increase arose from the high prices and larger jail population caused by the famine, from the formation of a Chief Court in Burma, and from reorganization and improvements in various provinces. In 1902–1903, special grants amounting to £38,000 have been made to the Provincial Governments under this head, the expenditure on which is enhanced in every province except Bombay.
Police	2,851,296	2,917,986	2,953,500	3,100,000	In 1900–1901, the increase occurred in most provinces, especially Burma and the North-West Provinces. In 1901–1902 it is chiefly due to the increase and re-armament of the special police in Burma. In 1902–1903 it is spread over all the provinces.
Marine	533,892	589,921	601,200	509,500	In 1899–1900 and 1900–1901 there were payments of £99,990 and £113,943 in England, on account of the new troopship "Hardinge." In 1901–1902 there were extensive alterations and repairs in three of the Royal Indian Marine ships.
Education	1,086,119	1,091,122	1,125,800	1,484,300	The increase in 1901–1902 and 1902–1903 is general. In the Budget it is largely due to special grants under this head aggregating £289,300.
Ecclesiastical	114,064	116,351	113,100	118,500	
Medical	944,604	941,103	882,300	1,039,100	The special expenditure in Bombay caused by the plague was much reduced in 1901–1902. In 1902–1903 the increase is general; special grants were made under this head, amounting to £27,400.
Political	721,836	587,491	680,800	902,800	The variations arose mainly from irregularity in the drawing of the subsidy of the Amir of Afghanistan; but in 1902–1903 the Budget includes under this head £176,700 for the durbar at Delhi, and £6,600 for the Imperial Cadet Corps.
Scientific and other Minor Departments.	381,017	466,593	529,000	546,900	The cost of the census was £1,436 in 1899–1900, £35,274 in 1900–1901, and is estimated at £96,900 in 1901–1902, and £12,600 in 1902–1903. Apart from this, there was an increase in 1900–1901 for the Survey of India and veterinary and stallion charges, and in connection with the Paris Exhibition; and in 1902–1903 provision is made for a new edition of the Gazetteer of India, for an Art Exhibition at Delhi, for the Archæological Survey, a Central Bacteriological Laboratory, and the new Imperial Library.
TOTAL ... £	10,782,588	10,971,622	11,164,000	12,128,800	

ROYAL LIBRARY OF THE BOMBAY BRANCH

STATEMENT showing the Principal Figures in the Indian Accounts for 1899–1900 and 1900–1901,

REVENUE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
MISCELLANEOUS:	£	£	£	£	
Superannuation	204,761	194,113	193,700	191,000	
Stationery and Printing...	59,659	55,625	61,300	61,800	
Exchange	—	—	44,600	—	The gain is chiefly in connection with the remittances made for the Railway Companies at fixed rates of exchange. *See* the explanation on page 3.
Miscellaneous	293,406	279,754	337,600	320,400	Considerable recoveries of famine expenditure are expected in 1902–1903.
TOTAL ... £	557,826	529,492	637,200	573,200	

and Estimates for 1901–1902 and 1902–1903, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
MISCELLANEOUS :	£	£	£	£	
Territorial and Political Pensions.	277,010	279,314	271,100	275,200	
Civil Furlough Allowances.	283,525	250,865	258,000	258,200	In consequence of the previous restriction, owing to the famine and plague, an exceptionally large number of officers took leave to England in 1899–1900.
Superannuation	2,704,469	2,711,301	2,770,100	2,808,600	The increase appears to be normal.
Stationery and Printing...	512,554	509,291	548,600	536,200	In 1901-1902 there were unusually large demands for stores from England.
Exchange	80,949	31,849	—	20,300	See the explanations on pages 3 and 44 of this Memorandum. The charge in 1899–1900 was mainly due to the transactions of the Burma and East Indian Railways.
Miscellaneous	194,024	204,750	326,900	329,800	The increase is largely due to many advances in consequence of the famine being written off as irrecoverable, in Bombay, the Central Provinces, and the Punjab.
TOTAL ... £	4,052,531	3,987,370	4,174,700	4,228,300	
FAMINE RELIEF AND INSURANCE :					
Famine Relief	2,074,918	4,125,230	556,200	423,200	
Construction of Protective Railways.	—	—	—	—	

The following table shows the extent to which, according to the Accounts and Estimates, Expenditure for the relief of famine has been, or is being, incurred in the several Provinces :—

—	1899-1900.	1900-1901.	1901-1902.	1902-1903.	4 years.
	£	£	£	£	£
Bombay	776,072	1,893,460	533,800	320,000	3,523,332
Central Provinces	1,029,946	1,908,372	4,000	—	2,942,318
Punjab	156,776	151,473	9,300	90,700	408,249
India General (Ajmere, &c.)	100,664	132,603	3,700	12,500	249,467
Other Provinces..	11,460	39,322	5,400	—	56,182
	2,074,918	4,125,230	556,200	423,200	7,179,548

STATEMENT showing the Principal Figures in the Indian Accounts for 1899–1900 and 1900–1901,

REVENUE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
	£	£	£	£	
RAILWAYS:					
State Railways: Gross Receipts.	14,653,223	16,953,797	19,149,900	18,916,900	In 1900–1901 a large part of the increase was only nominal, since £1,783,483 arose on the Great Indian Peninsula Railway, which was transferred from the Guaranteed to the State Railways on its purchase by the Government. There were improvements of £124,280 on the Burma, £114,314 on the East Indian, £105,816 on the Indian Midland, £93,457 on the Bengal-Nagpur, £65,502 on the Eastern Bengal, £54,250 on the East Coast, £45,604 on the Rajputana-Malwa, £24,156 on the South Indian, £21,942 on the Mysore, £18,962 on the Oudh and Rohilkhand, £17,016 on the Tirhoot, and £36,703 on other lines, while a decrease occurred of £204,911 on the North-Western Railway, which suffered from the famine. In 1901–1902 the increase on the Great Indian Peninsula was £1,003,184 (the estimate including a whole year instead of nine months in 1900–1901), £751,254 on the North-Western, £232,032 on the East Indian, £112,650 on the Oudh and Rohilkhand, £91,726 on the Tirhoot, £85,296 on the South Indian, £57,721 on the Burma, £57,028 on the Bengal-Nagpur, and £46,028 on other lines; but there was a decrease of £37,687 on the Rajputana-Malwa, £51,707 on the Southern Mahratta, £55,079 on the Indian Midland, and £96,343 on the East Coast line, of which the northern section has been transferred to the Bengal-Nagpur Railway Company. In 1902–1903 it is not expected that the exceptional traffic on the North-Western and Great Indian Peninsula Railways will be maintained, and allowance is made for a reduction of £300,000 and £120,000 on those lines respectively; but improvements are anticipated of £100,000 on the Bengal-Nagpur, £40,000 on the Southern Mahratta, and £47,000 on other railways.

and Estimates for 1901–1902 and 1902–1903, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
FAMINE RELIEF AND INSURANCE—*continued.*	£	£	£	£	
Construction of Protective Irrigation Works.	23,930	31,114	67,400	93,900	The outlay in these years is chiefly on the Trebeni, Betwa, Nira, Rushikulya, Dhaka, and Swat River, Canals, and Maladevi Tank
Reduction or Avoidance of Debt.	—	—	304,000	474,200	Money employed in the avoidance of debt which would otherwise be incurred for railways.
TOTAL ... £	2,098,848	4,156,344	927,600	991,300	The total expenditure on Famine Relief and Insurance, including that charged in the Railway Revenue Account, was £2,128,447 in 1899–1900, and £4,165,867 in 1900–1901; and £1,000,000 is provided in each of the Estimates for 1901–1902 and 1902–1903.
RAILWAY REVENUE ACCOUNT:					
State Railways: Working Expenses.	7,147,804	8,465,712	9,429,400	9,401,700	In 1900–1901 an increase of £836,849 was caused by the transfer of the Great Indian Peninsula Railway to this head; and the payments were enhanced on the Rajputana-Malwa line by £112,249, owing to the new contract, Bengal and North-Western and Tirhoot £78,032, Burma £73,773, Eastern Bengal £58,042, Oudh and Rohilkhand £55,486, Bengal-Nagpur £53,067, Indian Midland £39,829, and other lines £52,040, but there was a reduction of £41,459 on the East Indian Railway. In 1901–1902 there were increases of £522,618 on the Great Indian Peninsula Railway, which was included for twelve instead of nine months, of £209,080 on the North-Western, £128,220 on the Bengal-Nagpur, £111,189 on the East Indian, £54,904 on the Oudh and Rohilkhand, £53,342 on the South Indian, £44,638 on the Burma, £30,444 on the Eastern Bengal Railway, and £43,724 on other lines; but there were reductions on the Indian Midland £20,175, Bengal and North-Western and Tirhoot £30,266, East Coast £66,402 (owing to the transfer of the Northern section to the Bengal-Nagpur Company), and Rajputana-Malwa system £117,628. In 1902–1903 there are estimated increases of £40,000 on the Eastern Bengal, £33,300 on the Southern Mahratta, and £26,700 on the South Indian Railway, with reductions of £33,300 on the North-Western, £67,800 on the Great Indian Peninsula, and £26,600 on other lines. The payments under this head to companies for their share of surplus profits or net earnings of the lines worked by them, including contributions to the Provident Fund, are, for the four years, as follows, according to the accounts and estimates:—

Railways.	1899–1900.	1900–1901.	1901–1902.	1902–1903.
	£	£	£	£
East Indian	229,389	150,718	146,000	153,400
Rajputana-Malwa	100,817	92,814	900	—
Bengal Central	7,172	9,370	10,700	11,100
Mysore	5,472	7,926	7,000	6,700
Southern Mahratta	31,719	38,002	29,000	30,300
South Indian	23,053	26,611	40,000	33,300
Lucknow-Bareilly	8,833	6,719	6,900	6,900
Burma	8,556	22,951	29,300	30,000
Indian Midland	—	—	12,300	—
Bengal-Nagpur	—	—	17,300	—
Brahmaputra Sultanpur	—	—	700	590
Hardwar-Dehra	—	—	700	1,300
Great Indian Peninsula	—	—	18,100	11,700
Total	415,011	355,111	318,900	285,290

STATEMENT showing the Principal Figures in the Indian Accounts for 1899–1900 and 1900–1901,

REVENUE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
RAILWAYS—*continued.*	£	£	£	£	
Guaranteed Companies: Net Traffic Receipts.	1,907,215	1,316,899	992,300	993,400	The transfer of the Great Indian Peninsula system to the class of State railways, on its purchase by the Government, caused a reduction under this head of £607,203 in 1900–1901, and of £325,769 in 1901–1902.

and Estimates for 1901–1902 and 1902–1903, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
RAILWAY REVENUE ACCOUNT—*continued.*	£	£	£	£	
State Railways: Interest on Debt.	3,845,281	4,014,772	4,187,900	4,290,000	The increase in India, in consequence of the progress of construction, is £75,304, £79,158, and £105,600 in the three years, respectively. Owing to the purchase of the Great Indian Peninsula Railway, there was in England an additional charge of £97,962 in 1900–1901 for half a year's interest on its debenture debt, which in 1901–1902 is increased to £195,900 for the full payment.
State Railways: Annuities in purchase of Railways.	1,718,591	2,357,101	2,997,800	2,999,700	The increase in 1900–1901 and 1901–1902 was due to the purchase of the Great Indian Peninsula Railway by means of an annuity.
State Railways: Interest chargeable against Companies on Advances.	339,254	361,927	370,300	396,400	This is that portion of the interest on debt which is charged in the accounts against the Southern Mahratta, Indian Midland, Bengal-Nagpur, Bengal Central, Lucknow-Bareilly, and Mayavaram-Mutupet railway companies, on account of advances made to them for the construction of lines through their agency, or for the discharge of debentures, instead of the companies raising the money by the issue of their debentures guaranteed by the Government. The increase is mainly due to advances in India for the extension of the Bengal-Nagpur line.
State Railways: Interest on Capital deposited by Companies.	855,152	934,836	1,078,000	1,195,600	The figures represent interest on capital deposited, or debenture capital issued, by the Bengal-Nagpur, Indian Midland, Southern Mahratta, East Indian, Assam-Bengal, Great Indian Peninsula, Burma, South Indian, Bengal Central, Hardwar-Dehra, Brahmaputra-Sultanpur, Lucknow-Bareilly, and Mayavaram-Mutupet railway companies. In the three years there is an increase of £10,374 in India, and of £330,074 in England, mainly for the East Indian, Great Indian Peninsula, Bengal-Nagpur, South Indian, Burma, and Assam-Bengal railways.
Guaranteed Companies: Surplus Profits, Land, and Supervision.	343,400	171,032	157,300	150,900	The moiety of surplus profits payable to the Companies, including the contributions to the Provident Funds, appears as follows in the accounts and estimates:—

	1899–1900.	1900–1901.	1901–02.	1902–03
	£	£	£	£
Bombay and Baroda ..	150,387	73,996	153,300	133,300
Great Indian Peninsula	129,205	98,120	100	—
Madras ..	671	—	300	—
£	280,263	172,116	153,700	133,300

In 1899–1900 there was a considerable payment for land for the Calicut-Azhikal extension of the Madras railway; and in 1902–1903 provision is made on the same account also for the further extension to Mangalore. In 1900–1901 the amount recovered from companies slightly exceeded the payments.

Guaranteed Companies: Interest.	2,180,895	1,597,594	1,016,500	1,040,200	The reduction in 1900–1901 and 1901–1902 is due to the transfer of the Great Indian Peninsula line to the head of State Railways.

STATEMENT showing the Principal Figures in the Indian Accounts for 1899–1900 and 1900–1901,

REVENUE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
RAILWAYS—*continued.*	£	£	£	£	
Subsidized Companies: repayment of Advances of Interest.	27,407	22,933	35,900	39,100	The figures represent the recovery in India from the Mysore State, on account of the excess of interest on the capital outlay upon its line over the net receipts of the railway, and from the Travancore State of its share of interest for the Tinnevelly-Quilon railway; and in England the receipt from the Rohilkhand and Kumaon Railway Company, of the Government share of surplus profits.
TOTAL ... £	16,587,845	18,293,629	20,178,100	19,949,400	
IRRIGATION:					
Major Works: Direct Receipts.	1,578,529	1,651,410	1,597,300	1,714,900	The want of rain in 1899–1900 and 1900–1901 caused an unusual requirement for water from the canals in the North-West Provinces and from some of those in the Punjab; and there was, in both 1900–1901 and 1901–1902, a great increase in the receipts from the Chenab Canal. In 1902–1903 a general improvement is anticipated.
Major Works: Portion of Land Revenue due to Irrigation.	670,174	749,083	811,400	838,900	The improvement in 1900–1901 occurred mainly on the Godavari works and the Chenab canal, and from the opening of the Jamrao canal. In 1901–1902 it was chiefly on the Eastern Nara works and the Chenab, and in 1902–1903 on the Jamrao canal.
Minor Works and Navigation.	151,159	155,426	166,900	142,900	
TOTAL .. £	2,399,862	2,555,919	2,575,600	2,696,700	

and Estimates for 1901–1902 and 1902–1903, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
RAILWAY REVENUE ACCOUNT—*continued.*	£	£	£	£	
Subsidized Companies: Land, &c.	38,096	17,414	27,500	119,900	These figures include compensation for land taken up for numerous companies constructing railways on branch line terms (of which six projects appear for the first time in the Budget), and also subsidies to the Dibru-Sadiya and Nilgiri Railway Companies.
Miscellaneous Expenditure.	42,616	48,117	95,700	60,100	Chiefly for surveys, and for Director-General's and other Establishments. The principal charges for surveys and land are for the Southern Shan States, Mysore and West Coast, Godhra-Baroda chord, Ludhiana-Dhuri-Jakhal, Kundwa-Akola-Basim, Bara-Ajmere and Marwar, Pegu-Moulmein, Kohat-Bannu, and Allahabad-Jaunpur lines, and Sagaing bridge; and for the reserve material for the Punjab and frontier railways.
TOTAL ... £	16,511,089	17,968,505	19,360,400	19,654,500	
IRRIGATION:					
Major Works: Working Expenses.	664,753	689,090	705,800	737,900	The increase arises chiefly on the Chenab, and the newly-opened Jamrao and Mandalay canals.
Major Works: Interest on Debt.	896,749	921,328	944,100	969,800	The increase arises from further capital outlay.
Minor Works and Navigation.	701,973	709,909	719,600	914,700	The increase in 1902–1903 is due to special grants amounting to £166,700, of which £46,700 is allotted to various provinces, and £120,000 retained in reserve for the present.
TOTAL ... £	2,263,475	2,320,327	2,369,500	2,622,400	

STATEMENT showing the Principal Figures in the Indian Accounts for 1899–1900 and 1900–1901,

REVENUE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
OTHER PUBLIC WORKS:	£	£	£	£	
Military Works	34,780	35,755	36,700	36,100	The receipts are usually derived from the rents of buildings and sale of old materials.
Civil Works	406,100	422,715	426,900	421,800	The receipts are mostly derived from rents, sale of stores, proceeds of workshops, tolls, and ferries.
TOTAL ... £	440,880	458,470	463,600	457,900	
ARMY SERVICES:					
Army: Effective	643,090	743,052	821,600	802,000	The increase in 1900–1901 was caused by receipts in India on account of stores and animals sent to South Africa and China. In 1901–1902 it arose in England, owing to the payments by the British Government, of £130,000 for the transport of troops and £100,000 towards the military charges for Aden. In the Budget large receipts are expected for the value of articles in possession of regiments transferred to the British establishment.
Army: Non-Effective ...	76,393	74,222	83,600	87,200	
TOTAL ... £	719,483	817,274	905,200	889,200	

and Estimates for 1901–1902 and 1902–1903, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
OTHER PUBLIC WORKS:	£	£	£	£	
Military Works	836,562	782,942	907,400	994,200	A sum of about £770,000 a year is usually granted for the construction and repair of military works throughout India, to which additions are made occasionally for specific purposes. In 1899–1900 special expenditure was incurred for defensive works on the frontier; and in 1901–1902 and 1902–1903 provision has been made for work on a new cordite factory, rifle factory, and gun carriage factory, accommodation for a third howitzer battery, mounted infantry schools, water-supply, coast and inland fortifications, &c.
Civil Works	3,298,090	3,286,601	3,588,200	4,207,400	In 1901–1902 the increase occurred chiefly in the Punjab, the new North-West Frontier Province, Bengal, and Bombay. In 1902–1903 it is universal, except in Assam, special grants amounting to £363,600 having been made for hospitals, schools, police stations, roads, and bridges, while the balances of the Local Governments were otherwise augmented by grants from the surplus of the previous year.
Construction of Railways charged to Provincial or Local Revenues.	2,356	— *822*	— *54,800*	87,600	The alterations are due to the transactions connected with the Mayavaram-Mutupet Railway, for which the Tanjore District Board was unable to raise funds, as had been intended.
TOTAL ... [£	4,137,008	4,068,721	4,440,800	5,289,200	
ARMY SERVICES:					
Army: Effective	11,855,317	12,090,959	13,146,600	14,650,000	In 1899–1900, 1900–1901, and 1901–1902, there were savings of about £2,300,000 owing to the absence of troops in South Africa, China, &c.; but a considerable portion thereof was allotted to the purchase of guns and rifles, and numerous other measures for improving the efficiency of the Army, such as the re-armament of the Native troops, re-organization of the transport service, purchase of Maxim guns for the Field Army and Coast Defences, and of new 10-pr. guns for mountain batteries, addition of two howitzer batteries and a company of garrison artillery, schools for mounted infantry, and additional officers for the Native infantry and commissariat-transport department. In 1901–1902 the operations against the Mahsud Waziris are estimated to have cost £156,300, and one-half of the bounty to European soldiers for the extension of their service £202,900, the other moiety being repaid by the British Government. In 1902–1903 the addition of 2*d.* a day to the pay of the European soldiers adds £226,000; and provision is made for the full establishment. In England the payments to the War Office in 1900–1901 and 1901–1902, and on account of furlough pay in 1900–1901, were largely reduced, but the charge for ordnance stores was exceptionally heavy in both years.
Army: Non-Effective ...	3,029,909	2,991,840	2,982,700	3,014 700	
TOTAL ... £	14,885,226	15,082,799	16,129,300	17,664,700	

STATEMENT showing the Principal Figures in the Indian Accounts for 1899–1900 and 1900–1901,

REVENUE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
	£	£	£	£	
TOTAL REVENUE £	68,637,164	75,272,291	76,546,700	74,370,400	

and Estimates for 1901–1902 and 1902–1903, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
	£	£	£	£	
SPECIAL DEFENCE WORKS.	874	6,864	*— 9,100*	—	The expenditure, which has been incurred on redoubts, military posts, blockhouses, and roads, on the North-West Frontier, on defences at Aden, Bombay, Karachi, and Rangoon, and in the Hooghly, and on guns and stores in England, is now virtually terminated.
TOTAL EXPENDITURE, Imperial and Provincial	66,068,761	73,411,499	70,656,800	74,900,800	There is an increase of £8,832,039 in the estimate for 1902–1903 over 1899–1900, which arises in the following manner: in the Railway Revenue Account £3,143,411 (against an increase of £3,361,555 in the receipts), on Army Charges £2,778,600, on Civil Works £909,310, on Military Works £157,638, and on other works £85,244, on Irrigation £358,925, in the collection of the Land Revenue £316,761, on Forests £93,825, in the other direct demands on the Revenue £161,327, on Education £398,181, Law and Justice £299,716, Police £248,704, Political £180,964, on Scientific and Minor Departments £165,883, and other Civil Departments £52,764, on Telegraphs £218,418, on the Post Office £171,753, in Superannuation £104,131, and under other heads £94,032; while under Famine Relief and Insurance there is a reduction of £1,107,548.
PROVINCIAL ADJUSTMENTS:					
Deficits: Expenditure by Provincial Governments from their balances.	*— 206,220*	—	—	*— 1,368,100*	According to the Accounts and Estimates, special grants have been made by the Imperial Government to Provincial Revenues, amounting to £387,500 in 1899–1900, £699,500 in 1900–1901, £1,362,900 in 1901–1902, and £600,000 in 1902–1903. After taking those grants into consideration, the Provincial Governments are seen to have spent £206,220 in 1899–1900, and are expected to spend £1,368,100 in 1902–1903, besides the whole of their annual allotments. On the other hand, in 1900–1901 their expenditure fell short of their receipts by £190,588, and in 1901–1902 it is estimated to have done so by £1,217,000. During the four years Madras will have reduced its balances by £89,800, the Punjab £77,400, Assam £72,400, the United Provinces of Agra and Oudh £62,900, Bengal £23,600, and the North-West Frontier Province £1,100, while India General will have an increase of £700, Burma £9,700, Bombay £61,900, and the Central Provinces £88,200. The net reduction is £166,700.
Surpluses: Allotments to Provincial Governments unspent by them.	—	190,588	1,217,000	—	
TOTAL EXPENDITURE charged against the Revenue of the Year £	65,862,541	73,602,087	71,873,800	73,532,700	

STATEMENT showing the Principal Figures in the Indian Accounts for 1899–1900 and 1900–1901,

REVENUE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.

and Estimates for 1901–1902 and 1902–1903, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.	REMARKS.
EXPENDITURE NOT CHARGED TO REVENUE:					
Capital Outlay on Railways and Irrigation Works:	£	£	£	£	
State Railways...	2,437,712*	3,450,475	3,700,900	4,893,300	The total outlay on the construction of State Railways during these four years is as follows :—

——	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.
	£	£	£	£
From Money Borrowed by the Government.	2,437,712	1,434,865	2,936,800	2,693,300
From Railway Companies' Debenture Debt.	1,057,487	2,015,610	764,100	2,200,000
From Revenue	11,140	*– 822*	*– 54,800*	87,600
TOTAL .. £	3,506,339	3,449,653	3,646,100	4,980,900
DISTRIBUTION.				
East Indian	1,325,500	1,126,438	983,300	1,250,000
Assam-Bengal	676,967	43,467	500,000	413,600
Eastern Bengal	214,130	121,746	368,400	572,500
Rungpur-Dhubri Extension, &c.	24,210	122,176	153,300	56,700
Teesta Bridge	59,435	26,043	4,500	700
Tirhoot	56,098	139,209	33,300	67,000
Hajipur-Begumserai-Katihar.	162,429	220,228	149,800	74,300
Allahabad-Fyzabad ..	—	—	33,300	333,300
Oudh and Rohilkhand ..	101,585	71,811	86,900	343,100
Ghaziabad-Moradabad ..	252,542	121,136	49,700	
Rajputana-Malwa	76,704	139,300	99,200	200,000
North-Western	233,901	339,906	371,100	450,700
Jech Doab	—	—	8,000	133,300
Nowshera-Dargai	49,732	55,662	27,000	19,300
Khushalgarh-Kohat-Thal	—	22,857	192,000	121,800
Hyderabad-Jodhpore ..	63,147	25,537	15,000	2,700
Great Indian Peninsula ..	—	246,212	54,400	15,300
East Coast (Madras N.E. Section).	57,349	314,635	*– 53,300*	188,300
Godavari Bridge	136,632	25,575	*– 3,300*	—
South Indian	35,647	23,129	30,000	53,300
Madura-Pamban	12,717	94,469	207,300	100,000
Tinnevelly-Quilon	21,504	142,224	371,800	200,000
Mayavaram-Mutupet ..	1,800	—	*– 54,700*	87,400
Other Lines	*– 17,000*	*– 17,884*	19,100	23,500
Stores and Reserve ..	*– 38,690*	45,727	—	294,100
TOTAL .. £	3,506,339	3,449,653	3,646,100	4,980,900

Irrigation Works	597,960	590,483	553,500	666,700	The outlay occurs on the following Irrigation Works :—
TOTAL ... £	3,035,672	4,040,958	4,254,400	5,560,000	

——	Accounts, 1899–1900.	Accounts, 1900–1901.	Revised Estimate, 1901–1902.	Budget Estimate, 1902–1903.
	£	£	£	£
From Borrowed Money ..	597,960	590,483	553,500	666,700
From Revenue	39,653	31,949	75,200	114,200
TOTAL .. £	637,613	622,432	628,700	780,900
DISTRIBUTION.				
Trebeni Canal	—	84	16,500	39,300
Ganges Canal	5,314	5,250	3,400	33,900
Lower Ganges Canal ..	59,839	10,622	10,100	16,300
Western Jumna Canal ..	28,686	3,819	5,400	4,100
Bari Doab Canal	7,389	11,841	44,300	40,000
Chenab Canal	60,270	46,365	47,000	80,000
Jhelum Canal	187,726	228,603	156,900	140,000
Kistna Delta System ..	12,171	9,006	16,800	27,400
Jamrao Canal	84,408	60,395	29,600	28,200
Mandalay Canal	74,914	57,377	37,000	33,300
Shwebo Canal	—	8,597	46,900	54,700
Desert Canal	12,361	23,908	25,700	22,300
Other Works and Reserve	104,535	156,565	189,100	261,400
TOTAL .. £	637,613	622,432	628,700	780,900

Capital Charge involved in Redemption of Liabilities:					
Great Indian Peninsula Railway.	—	5,922,350	—	—	Assumption of the liability for the debentures and debenture stock of the Railway Company on the purchase of the undertaking.
TOTAL ... £	—	5,922,350	—	—	

* Excluding £1,057,847, outlay which was met from East Indian Railway debenture capital. In the subsequent years such capital is included under State Railways.

NET REVENUE AND EXPENDITURE.

NET REVENUE.

Net Revenue.	Accounts, 1899–1900.		Accounts, 1900–1901.		Revised Estimate, 1901–1902.		Budget Estimate, 1902–1903.	
	£	£	£	£	£	£	£	£
I. Land Revenue, &c.:								
1. Land Revenue	16,444,825		16,755,525		17,714,800		17,030,600	
2. Forest	1,232,685		1,293,452		1,188,600		1,287,600	
3. Tributes from Native States.	586,603		551,125		563,300		575,600	
		18,264,113		18,600,102		19,466,700		18,893,800
II. Opium		2,670,589		3,312,663		3,242,000		2,452,000
III. Taxation:								
1. Salt	5,573,775		5,709,923		5,733,500		5,711,700	
2. Stamps	3,225,920		3,304,786		3,457,200		3,441,000	
3. Excise	3,810,539		3,892,634		4,031,100		4,072,600	
4. Provincial Rates... ...	2,495,458		2,559,474		2,741,500		2,731,100	
5. Customs	3,058,795		3,274,404		3,733,900		3,517,400	
6. Assessed Taxes	1,292,729		1,313,731		1,364,600		1,357,300	
7. Registration	287,164		311,758		316,500		312,200	
		19,744,380		20,366,710		21,378,300		21,143,300
Net Receipts under Principal Heads of Revenue.		40,679,082		42,279,475		44,087,000		42,489,100
IV. Miscellaneous Receipts:								
1. Mint	289,183		20,116		47,900		— *45,100*	
2. Miscellaneous	99,382		75,004		10,600		— *9,400*	
		388,565		95,120		58,500		— *54,500*
V. Exchange		— *80,949*		— *31,849*		44,700		— *20,300*
Total Net Revenue ...		40,986,698		42,342,746		44,190,200		42,414,300

NET EXPENDITURE.

Net Expenditure.	Accounts, 1899–1900.		Accounts, 1900–1901.		Revised Estimate. 1901–1902.		Budget Estimate, 1902–1903.	
	£	£	£	£	£	£	£	£
I. Debt Services:								
1. Interest on Ordinary Debt	1,593,353		1,776,406		1,576,600		1,518,800	
2. Interest on other Obligations.	354,745		362,540		378,700		396,300	
	1,948,098		2,138,946		1,955,300		1,915,100	
Receipts	*—605,815*		*—651,479*		*—777,900*		*—764,200*	
		1,342,283		1,487,467		1,177,400		1,150,900
II. Military Services:								
1. Army	14,165,743		14,265,525		15,224,200		16,775,500	
2. Military and Special Defence Works ...	802,656		754,051		861,500		958,100	
		14,968,399		15,019,576		16,085,700		17,733,600
III. Collection of Revenue ...		4,448,839		4,534,711		4,581,900		4,984,700
IV. Commercial Services:								
1. Post Office	*—126,068*		*—134,942*		— *95,200*		— *23,100*	
2. Telegraph	*—105,891*		*—113,129*		28,100		113,800	
3. Railways	— *76,756*		*—325,124*		— *817,700*		*—294,900*	
4. Irrigation	*—136,387*		*—235,592*		— *206,100*		— *74,300*	
		—445,102		*—808,787*		*—1,090,900*		*—278,500*
V. Famine Relief and Insurance*		2,098,848		4,156,344		927,600		991,300
VI. Civil Services:								
1. Civil Departments ...	9,597,544		9,728,546		9,919,300		10,864,100	
2. Miscellaneous Civil Charges	3,513,138		3,501,033		3,592,800		3,625,400	
3. Civil Works	2,891,990		2,863,886		3,161,300		3,785,600	
4. Construction of Railways (charged to Provincial or Local Revenues).	2,356		— *822*		— *54,800*		87,600	
		16,005,028		16,092,643		16,618,600		18,362,700
Total Net Expenditure		38,418,295		40,481,954		38,300,300		41,944,700
VII. Provincial Balances:								
1. Increased by unspent Grants.		—		190,588		1,217,000		—
2. Reduced by Expenditure from Balances.		*—206,220*		—		—		*—1,368,100*
Total Net Expenditure charged against Revenue.		38,212,075		40,672,542		39,517,300		41,576,600
Surplus		2,774,623		1,670,204		4,672,900		837,700

* The net charge on account of the Indian Midland and Bengal-Nagpur railways, which were constructed as lines calculated to protect the country against famine, is included in the Railway Revenue Account. Adding this, the total provision for Famine Relief and Insurance was in 1899–1900 £2,128,447, and in 1900–1901 £4,165,867. In the estimates for 1901–1902 and 1902–1903 the anticipated net charge for the Bengal-Nagpur Railway brings up the total provision to £1,000,000 in each year.

India Office,
June 9th, 1902.

HENRY WATERFIELD,
Financial Secretary.

EAST INDIA: ACCOUNTS AND ESTIMATES.

1903-1904.

EXPLANATORY MEMORANDUM

BY THE

SECRETARY OF STATE FOR INDIA.

Presented to both Houses of Parliament by Command of His Majesty.

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Memorandum by the Secretary of State for India, relating to the Accounts of the Government of India for 1901-1902, and the Estimates for 1902-1903 and 1903-1904.

Form of Account.

The Accounts of the Government of India are now prepared so as to shew the transactions in India in rupees; the totals of these transactions are then shewn in pounds at the rate of £1 to 15 rupees; the sterling transactions in England are next stated; and the last two sets of figures are added together, so as to shew in pounds the combined transactions in India and in England. The comparatively small addition or deduction that has to be made on account of the facts that the remittances from India to England are not effected at exactly 16 pence to the rupee, and that the Government is under obligations to carry out certain transactions at specified rates, is shewn in a single line, under the head of Exchange, in the Miscellaneous group of Revenue or Expenditure.

Gross Revenue and Expenditure.

The Gross Revenue and Expenditure of the Government of India for the three years are as follows:—

Gross Revenue and Expenditure.	Accounts, 1901-1902.	Revised Estimate, 1902-1903.	Budget, 1903-1904.
	£	£	£
Revenue	76,344,525	76,892,500	76,355,400
Expenditure chargeable thereon	71,394,282	74,154,000	75,406,700
Surplus	4,950,243	2,738,500	948,700

Net Revenue and Expenditure.

Apart from other considerations, the Revenue and Expenditure of the country are continually increasing through the opening of additional railways and canals; and, therefore, a clearer view of the financial condition may be gathered by a reference to the Net Revenue and Expenditure as shown in the form given in the return of Income and Expenditure laid before the House of Commons (No. 95 of 1903: *see* also tables on page 13); the Net Revenue being the amount received from the principal heads (after deducting the refunds and assignments chargeable thereon, and, in the case of opium, the cost of cultivation and manufacture), and also the net receipts under the heads of mint, exchange, and

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miscellaneous; while the Net Expenditure represents the charges of the various departments, after deducting the receipts of those departments. The following table gives a comparison of the figures just quoted when adjusted in the manner indicated :—

Net Revenue and Expenditure.	Accounts, 1901–1902	Revised Estimate, 1902–1903.	Budget, 1903–1904.
	£	£	£
Net Revenue	43,839,053	43,939,300	43,183,800
Net Expenditure	38,888,810	41,200,800	42,235,100
Surplus...	4,950,243	2,738,500	948,700

1901–1902.

The following are the net figures for the year 1901–1902, as shown in the Budget, Revised Estimate and Accounts :—

Net Revenue and Expenditure.	Budget, March 1901.	Revised Estimate, as published in March 1902.	Accounts.
	£	£	£
Net Revenue	42,322,700	44,190,200	43,839,053
Net Expenditure	41,631,800	39,517,300	38,888,810
Surplus...	690,900	4,672,900	4,950,243

Comparison of Accounts with Budget Estimate.

As compared with the Budget Estimate, the Accounts show an increase of the net Revenue by £1,516,353, and a reduction of the net Expenditure by £2,742,990, or a total improvement of £4,259,343.

The increase of £1,516,353 in the net Revenue was owing to improvements of £623,317 under Customs, £472,868 under Opium, £126,042 under Land Revenue, £108,670 under Excise, while there was a net increase of £185,456 under other heads.

The reduction of £2,742,990 in the net Expenditure occurred thus :—The Army Charges were reduced by £1,559,158; the Railway Revenue Account was better by £1,011,416; there was a reduction of £279,571 under Civil Works; of £258,442 under Debt Services; of £173,893 under Collection of Revenue; of £131,758 under Medical; of £115,488 under Famine Relief and Insurance; of £109,909 on Provincial and Local Railways; and a net reduction of £358,265 under other heads (chiefly Political, Irrigation, Police, Scientific and other Minor Departments, Post Office and Telegraphs). On the other hand, the amount added to Provincial and Local balances from the revenues of the year shewed an increase of £1,254,910 over the Budget figures; the increase being partly due to the reduction of the expenditure by Provincial Governments on services mentioned above.

Comparison of Account with Revised Estimate.

Compared with the Revised Estimate, the net Revenue was worse by £351,147, or about four-fifths of 1 per cent., and the net Expenditure less by £628,490, or about one and three-fifths per cent. The greater part of the reduction in net expenditure was due to a refund by the War Office of £402,000 in respect of payments on account made by the India Office in 1900–1901 and 1901–1902 for the British forces in India.

1902-1903.

The following table gives a comparison of the Revised Estimate for 1902-1903 with the Budget Estimate published in March 1902 :—

Net Revenue and Expenditure.	Budget.	Revised Estimate.	Difference.
	£	£	£
Net Revenue	42,414,300	43,939,300	+1,525,000
Net Expenditure	41,576,600	41,200,800	— *375,800*
Surplus	837,700	2,738,500	1,900,800 Better

Comparison of Budget with Revised Estimate.

There is an improvement of £1,525,000 in the net Revenue, and a reduction of £375,800 in the net Expenditure, so that the position is better by £1,900,800.

In the net Revenue the principal increases occurred under Land Revenue £699,100, owing to the inclusion of the Revenue from Berar (£480,000) and to a favourable season ; Opium £403,500, owing to higher prices at the Calcutta sales and a larger export of Malwa Opium ; Excise £260,400, Customs £218,500, chiefly from duties on rice and silver. The net charge under "Miscellaneous" is greater by £233,800, due in part to transactions in connection with the new arrangements for the administration of Berar and to the remission of loans to agriculturists. Under other heads there is a net increase in Revenue of £177,300.

The chief differences between the Budget and Revised Estimates of Expenditure are as follows :—The expenditure on the Army shews a decrease of £540,600, largely due to the saving of £480,000, which resulted from the absence of troops in South Africa, China, and Somaliland. There were also decreases of £249,500 under Education, £234,800 under Civil Works, £144,900 under Law and Justice, £101,300 under Medical (all these being due to the failure of Local Governments to spend the full amounts provided in the Budget), £203,500 under Collection of Revenue, £183,600 under Interest (of which £157,700 occurred in England), £177,500 under Irrigation, and £392,700 under other heads.

On the other hand, the Railways shewed a result less favourable by £134,300 than was anticipated in the Budget, and the charges for General Administration were higher by £155,700.

Moreover, since a considerable portion of the increase in Revenue and savings in expenditure shewn above has accrued to the Provincial Governments, and special grants for future expenditure have been made to them during the year, the amount transferred by the Government of India to their balances is greater by £1,424,200 than was shewn in the Budget.

1903–1904.

In preparing the Budget for 1903–1904 the Government of India have made provision for important reductions in the Salt duty and the Income Tax. The alterations in the Salt duty were brought into force on the 18th of March by a notification published in the Gazette of India, and are shewn in the following table :—

DUTY ON THE MANUFACTURE AND IMPORT OF SALT.

—	Before 18th March.	From 18th March.
Burma (excluding Shan States).	1 rupee per maund (82⅔ lb.).	1 rupee per maund (82⅔ lb.).
Kohat District	2 rupees per Kohat maund (102 lb.).	1 rupee 8 annas per maund (82⅔ lb.)
Aden	1 rupee per 140 lb. ...	1 rupee per 140 lb. ...
Mandi State	7½ annas per maund (of which two-thirds went to the Government of India).	6 annas per maund (of which two-thirds goes to the Government of India).
Rest of India	2 rupees 8 annas per maund (82⅔ lb.).	2 rupees per maund (82⅔ lb.).

The population of Burma, where the duty is unaltered, is about 9¼ millions, and that of Aden (where the duty is also unaltered) is about 44,000. The reductions in the duty benefit about 221,000,000 persons in British India, besides a large proportion of the population of Native states.

The loss of Revenue due to the reduction of the duty from 2½ to 2 rupees would, in the absence of an increase in the consumption, amount to £1,153,000 ; but, as an increase in consumption is anticipated, it is estimated that the net receipts in 1903–1904 will fall short of those of 1902–1903 by £1,094,900 only.

The alterations in the rate of Income Tax were made by Act XI. of 1903, which was passed in the Governor-General's Council on the 25th of March and came into force on the 1st of April. The rates of tax were previously as follows : — *On salaries, pensions, and income from securities*—4 pies in the rupee on incomes between Rs. 500 and Rs. 2,000, 5 pies in the rupee on incomes of Rs. 2,000 or more ; *on profits of companies*—5 pies in the rupee ; *on other sources of income (not derived from agriculture)*—Rs. 10 on incomes between Rs. 500 and Rs. 750, Rs. 15 on incomes between Rs. 750 and Rs. 1,000, Rs. 20 on incomes between Rs. 1,000 and Rs. 1,250, Rs. 28 on incomes between Rs. 1,250 and Rs. 1,500, Rs. 35 on incomes between Rs. 1,500 and Rs. 1,750, Rs. 42 on incomes between Rs. 1,750 and Rs. 2,000, 5 pies in the rupee on incomes of Rs. 2,000 and more. Under the new Act all private incomes below Rs. 1,000 will be exempt from tax. The cost of this measure is estimated at £240,000, but it is anticipated that there will be an increase of £15,300 in the receipts from incomes still liable to the tax.

The following table gives a comparison of the Budget for 1903–1904 with the Revised Estimate for the preceding year :—

	Revised Estimate, 1902-1903.	Budget, 1903-1904.	Difference.
	£	£	£
Net Revenue	43,939,300	43,183,800	— 755,500
Net Expenditure	41,200,800	42,235,100	+1,034,300
Surplus	2,738,500	948,700	—1,789,800

The decrease of £755,500 in the Net Revenue is due to the following causes :—

	£	£
Increases are anticipated in—		
Land Revenue (chiefly in Bombay, Burma, and United Provinces of Agra and Oudh)	623,000	
Miscellaneous receipts (owing to the absence of the special transactions in connection with Berar which occurred in 1902–1903 and to the smaller charge for the remission of agricultural loans)	294,000	
Excise	124,700	
Stamps, Forest, Provincial Rates, and Registration	196,500	
Total increases	———	1,238,200
Decreases are anticipated in—		
Salt (mainly due to the reduction of duty) ...	1,094,900	
Assessed Taxes (due to exemption of incomes below Rs. 1,000 from Income Tax) ...	224,000	
Customs (mainly in duties on sugar, silver, and rice)	220,200	
Opium (owing to expectation of lower prices at Calcutta sales and larger payments to cultivators)	216,200	
Tributes (owing to the deduction from the receipts under this head of the rent of 25 lakhs paid to the Nizam on account of Berar)	172,600	
Mint and Exchange	65,800	
Total decreases	———	1,993,700
Net decrease of Revenue		755,500

The increase of £1,034,300 in Net Expenditure is expected to occur as follows:—

	£	£
Increases are anticipated in—		
Collection of Revenue (chiefly in Land Revenue charges, which include the charges for District Administration)	435,200	
Army (including provision for restoration of establishment to full strength)	417,400	
Civil Works (including expenditure by Provincial Governments of special grant of £266,000)	432,500	
Education	266,600	
Irrigation	189,100	
Law and Justice	179,600	
Police	139,300	
Railway Revenue Account	119,700	
Other heads	557,100	
Total increases	———	2,736,500
On the other hand there is a decrease in Political expenditure owing to the fact that a portion of the charges for the Delhi Durbar, included in the Revised Estimates for 1902–1903, was shewn under this head The amount of the decrease is estimated at	123,400	
Under other heads minor decreases are expected to occur amounting to	139,200	
The adjustments with Provincial Governments are also expected to be more favourable to the Government of India. In 1902–1903 those Governments added £56,100 to their balances, this amount being charged against the revenue of the year; in 1903–1904 they are expected to contribute £1,383,500 from their balances towards the expenditure of the year. The position of the Government of India is thus improved, in respect of these transactions, by ...	1,439,600	
Total decreases of Expenditure	———	1,702,200
Net increase of Expenditure		1,034,300

Debt.

In 1901–1902 a Rupee Loan was raised in India of one crore (£666,700), at 3½ per cent., the average rate accepted being 97·3, and £94,000 Permanent and £301,900 Temporary Debt was discharged. In England a Loan of £3,000,000 India 3 per cent. Stock was offered, at a fixed price of 98 per cent., it being intended to apply a part of the proceeds to the discharge of £1,000,000 Temporary Debt and to advances to Railway Companies. Owing to the small amount of subscriptions received the Loan was withdrawn, £709,500 being allotted to those who wished to maintain their offers; subsequently, £1,300,000 of the Stock was sold, at prices varying from 98 to 99¼ per cent., and India Sterling Bills to the amount of £1,000,000 were discharged without being replaced. The remaining Sterling Bills, amounting to £4,000,000, were replaced by similar Bills, at average rates varying from £3 12*s.* 4*d.* per cent. in June, 1901, to £2 17*s.* 3½*d.* in March, 1902.

In 1902–1903 a Loan of one crore and-a-half of rupees (£1,000,000) was raised in India at an average price of about 97·6. In England £1,500,000 India 3 per cent. Stock was issued (mainly to discharge Great Indian Peninsula Railway Debentures) at an average price of £101 10*s.* 2*d.* per cent. Of the £4,000,000 sterling bills which fell due in June, September and December, 1902, and March, 1903, £3,500,000 were renewed at average rates varying from £2 18*s.* 4*d.* to £3 11*s.* 1*d.* per cent., and £500,000 were paid off.

In 1903–1904 it was proposed when the Financial Statement was published (in March, 1903) to raise a loan of 2 crores (£1,333,000) in India and a loan of £2,000,000 in England, and to pay off £1,500,000 of the £3,500,000 sterling bills and the whole of the £600,000 Great Indian Peninsula Railway debentures which will fall due in the course of the year. It was decided later that the loan in England should be for £1,500,000, and India 3 per cent. Stock for that amount was issued on the 17th of June at an average price of £98 19*s.* 2*d.* per cent.

Railways.

On the 31st of March, 1903, the length of Railways in India open for traffic was 26,474 miles, of which 1,095 were opened in 1902–1903. The total length sanctioned was 28,842 miles, of which 682 were sanctioned in 1902 1903.

The expenditure on the Construction of Railways shewn in the Accounts for 1901-1902 and Estimates for 1902–1903, and 1903–1904, is as follows :—

——	Accounts, 1901 1902.	Revised Estimate, 1902–1903.	Budget, 1903–1904.
	£	£	£
Expenditure not charged to Revenue :—			
State railways (from money provided by State).	2,759,500	3,229,200	3,284,700
State railways (from money raised through Companies).	764,100	1,453,300	2,050,000
Old guaranteed Companies	575,700	447,900	390,000
Other guaranteed or assisted Companies	1,800,300	1,760,400	1,599,000
Branch lines on firm guarantee	15,100	6,400	9,600
Expenditure charged to Revenue	*—66,700*	64,300	205,000
Total outlay by Government or with Government assistance.	5,848,500	6,961,500	7,538,300
Branch lines not on firm guarantee ...	12,500	54,900	22,400
Railways outside Government accounts ...	269,900	629,100	410,600
Total	6,130,900	7,645,500	7,971,300

The net traffic receipts in 1901–1902 on the capital cost of open lines in which the Government is directly interested was 4·99 per cent. Details relating to the several lines will be found on pages 29 and 30 below.

The Railway Revenue Account shewed in 1901–1902 a net receipt of £846,616, and in 1902–1903 a net receipt of £160,600. In the Budget for 1903–1904 it is estimated that interest charges and working expenses will be considerably higher, allowance being made for a high rate of expenditure on the maintenance and renewals of certain lines. The net receipt is therefore taken at the reduced amount of £40,900. These results are arrived at after charging in the Account not only all interest charges but also the following payments in redemption of capital which are included in the annuities issued for the purchase of railways, viz :—

	£
In 1901–1902	590,100
In 1902–1903	610,200
In 1903–1904	631,000

Irrigation Works.

The outlay on the construction of Major Irrigation Works incurred during the last two years and estimated to be incurred in the present year is as follows :—1901–1902, £627,700 ; 1902–1903 (Revised Estimate), £689,700 ; 1903–1904 (Budget), £863,000. Of the expenditure on minor works (amounting to £718,700 in 1901–1902, £850,800 in 1902–1903 (Revised Estimate), and £980,300 in 1903–1904 (Budget)), a considerable portion is devoted to the construction of new works ; this expenditure is charged against the revenue of the year in which it is incurred.

The following table shews the total capital expenditure on Major Irrigation Works (excluding indirect charges) and the net receipts :—

	Capital Expenditure to End of the Year (excluding indirect charges).	Net Receipts during the Year (being gross receipts, *less* working expenses and interest charges.)
	£	£
1901–1902	23,964,900	726,900
1902–1903 (Revised Estimate) ...	24,654,600	959,600
1903–1904 (Budget)	25,517,600	873,200

Liabilities and Assets.

On the 31st of March, 1903, the debt of India amounted to £212,164,000 (viz. :—rupee debt, converted into sterling at 1*s* 4*d*. the rupee, £78,368,000, and sterling debt, £133,796,000). There were also other obligations of the Government of India, including Savings Bank balances, Judicial and Departmental deposits, balances of Service Funds, &c., amountiug to £15,107,000.

Up to the same date the Government of India had devoted £77,852,000 to the construction of Railways, and £24,791,000 to the construction of Irrigation Works. It had purchased (in some cases by cash payments and in other cases by annuities*) six railways, on which, at the time of purchase, £85,219,000 had been spent. It had lent £12,591,227 to Native States, Corporations, Agriculturists, &c., and had advanced £9,356,000 to Railway Companies. Other assets are the Gold Reserve Fund, which amounts to £3,811,000, the cash balances in India, £11,833,000, and the cash balances in England, £5,687,000.

Exchange and Remittance.

The sale by the Secretary of State in Council of bills and telegraphic transfers on India during the last three years has been as follows :—

	£			
1900–1901 ...	13,459,737,	at an average rate of	1*s*. 3·9725*d*.	per rupee.
1901–1902 ...	18,379,611	,, ,,	1*s*. 3·988*d*.	,,
1902–1903 ...	18,499,946	,, ,,	1*s*. 4·0018*d*.	,,

Gold Reserve Fund.

In accordance with a recommendation made by the Indian Currency Committee, it was decided that, with effect from the 1st April, 1900, the net profit from the coinage of rupees should not be treated as revenue, but should be held as a special reserve, and sent to England for investment in sterling securities. This profit amounted to £3,031,294 in 1900–1901, £415,100 in 1901–1902, and £263,400 in 1902–1903. The whole amount has been remitted to England and applied to the purchase of Consols. Including the investment of the dividends as they accrued, the Gold Reserve Fund on the 31st of March, 1903, amounted to £4,052,561 Consolidated Stock.

* The annuities now outstanding are East Indian Railway Annuity, £1,145,288 (of which £294,750 is deferred under the existing contract for working the line), running to 14th February, 1953 ; Eastern Bengal Railway Annuity, £116,850, running to 31st July, 1957 ; Scinde, Punjab, and Delhi Railway Annuity, £371,361, running to 31st December, 1958 ; and Great Indian Peninsula Railway Annuity, £1,268,516, to 17th August, 1948.

Home Charges.

The net Expenditure in England chargeable to Revenue was £16,877,447 in 1901–1902, £17,730,900 in the Revised Estimate for 1902-1903, and £17,619,300 in the Budget for 1903–1904. The last-named amount is thus divided :—

	£
Interest and Management of Debt, and payment of Interest and Annuities on account of Railways	9,644,200
Payments in connection with Civil Departments in India ...	364,400
India Office, including Auditor's and Store Departments ...	188,600
Army Effective Charges	891,000
Stores of all kinds charged against revenue	1,634,400
Furlough Allowances	638,500
Non-Effective Charges	4,258,200
Total	17,619,300

Besides this, the outlay on stores, &c., for the construction of State Railways and Irrigation Works was £860,518 in 1901–1902, and is estimated at £1,524,700 in 1902–1903, and £1,813,400 in 1903–1904.

Seaborne Trade.

The following figures show the Exports from, and Imports into, India during the last three years :—

———	1900–1901.	1901–1902.	1902–1903.
	£	£	£
Exports of Merchandise	71,812,377	83,263,527	86,271,956
Imports „	53,929,726	59,154,925	57,244,055
Net Exports of Merchandise	17,882,651	24,108,602	29,027,901
Net Imports of Gold	561,423	1,291,761	5,843,044
Net Imports of Silver	6,338,155	4,795,223	4,597,410
Net Imports of Treasure	6,899,578	6,086,984	10,440,454
Balance : Net Exports	10,983,073	18,021,618	18,587,447

The transactions in treasure on account of the Government were very large in both 1900–1901 and 1901–1902, owing to the demand for rupees. Silver to the value of £5,389,051 was imported on Government account in the former year, and £625,442 in 1901-1902 ; and £4,482,242 and £1,995,667 of gold was exported in the two years, respectively.

Burden of Taxation.

	Accounts 1901–1902.	Revised Estimate, 1902–1903.	Budget, 1903–1904.
	£	£	£
Salt	5,674,000	5,783,700	4,688,800
Stamps	3,409,400	3,432,800	3,508,600
Excise	4,025,800	4,333,000	4,457,700
Provincial Rates	2,737,400	2,727,900	2,780,800
Customs	3,734,500	3,735,900	3,515,700
Assessed Taxes	1,362,200	1,403,300	1,179,300
Registration	312,100	307,300	320,800
Total	21,255,400	21,723,900	20,451,700
According to the census taken in March, 1901, the population of British India was 231,085,000. On this basis, and allowing for the increase of population at the rate of two-fifths of one per cent. per annum, the payment per head, on the assumption that the whole of the taxation from Salt, Excise, Customs, &c., is paid by the inhabitants of British India, is	*s. d.* 1 10	*s. d.* 1 10½	*s. d.* 1 9¼
If the payment of Land Revenue be added, the average becomes...	3 4¼	3 4¾	3 4

GEORGE HAMILTON.

India Office,
July 6th, 1903.

APPENDIX I.

NET REVENUE AND EXPENDITURE.

NET REVENUE.

Net Revenue.	Accounts, 1901–1902.		Budget, 1902–1903.		Revised Estimate, 1902–1903.		Budget, 1903–1904.	
	£	£	£	£	£	£	£	£
I. Land Revenue, &c.:								
1. Land Revenue	17,532,642		17,030,600		17,729,700		18,352,700	
2. Forest	1,153,820		1,287,600		1,261,700		1,316,000	
3. Tributes from Native States.	556,980		575,600		567,600		395,000	
		19,244,442		18,893,800		19,559,000		20,063,700
II. Opium		3,240,068		2,452,000		2,855,500		2,639,300
III. Taxation:								
1. Salt	5,673,991		5,711,700		5,783,700		4,688,800	
2. Stamps	3,409,436		3,441,000		3,432,800		3,508,600	
3. Excise	4,025,770		4,072,600		4,333,000		4,457,700	
4. Provincial Rates... ...	2,737,448		2,731,100		2,727,900		2,780,800	
5. Customs	3,734,517		3,517,400		3,735,900		3,515,700	
6. Assessed Taxes	1,362,227		1,357,300		1,403,300		1,179,300	
7. Registration	312,081		312,200		307,300		320,800	
		21,255,470		21,143,300		21,723,900		20,451,700
Net Receipts under Principal Heads of Revenue.		43,739,980		42,489,100		44,138,400		43,154,700
IV. Miscellaneous Receipts:								
1. Mint	51,340		*— 45,100*		7,200		*— 37,500*	
2. Miscellaneous	22,239		*— 9,400*		*—243,200*		50,800	
		73,579		*— 54,500*		*—236,000*		13,300
V. Exchange		25,494		*— 20,300*		36,900		15,800
Total Net Revenue ...		43,839,053		42,414,300		43,939,300		43,183,800

NET EXPENDITURE.

Net Expenditure.	Accounts, 1901–1902.		Budget, 1902–1903.		Revised Estimate, 1902–1903		Budget, 1903–1904.	
	£	£	£	£	£	£	£	£
I. Debt Services:								
1. Interest on Ordinary Debt	1,563,915		1,518,800		1,443,000		1,288,100	
2. Interest on other Obligations.	380,423		396,300		396,500		418,500	
	1,944,338		1,915,100		1,839,500		1,706,600	
Receipts	*—785,680*		*—764,200*		*—872,200*		*—730,600*	
		1,158,658		1,150,900		967,300		976,000
II. Military Services:								
1. Army	14,786,342		16,775,500		16,234,900		16,652,300	
2. Military and Special Defence Works ...	917,140		958,100		1,044,500		1,129,700	
		15,703,482		17,733,600		17,279,400		17,782,000
III Collection of Revenue ...		4,582,407		4,984,700		4,781,200		5,216,400
IV. Commercial Services:								
1. Post Office	*—103,085*		*— 23,100*		*— 91,400*		*— 7,000*	
2. Telegraph	*— 3,922*		113,800		37,000		129,900	
3. Railways	*—846,616*		*—294,900*		*—160,600*		*— 40,900*	
4. Irrigation	*—172,872*		*— 74,300*		*—251,800*		*— 62,700*	
		—1,126,495		*— 278,500*		*—466,800*		19,300
V. Famine Relief and Insurance		884,512		991,300		988,200		1,000,000
VI. Civil Services:								
1. Civil Departments ...	9,885,601		10,864,100		10,325,800		10,923,400	
2. Miscellaneous Civil Charges	3,559,115		3,625,400		3,664,900		3,666,600	
3. Civil Works	3,235,929		3,785,600		3,550,800		3,983,300	
4. Construction of Railways (charged to Provincial or Local Revenues).	*— 66,709*		87,600		53,900		51,600	
		16,613,936		18,362,700		17,595,400		18,624,900
Total Net Expenditure		37,816,500		42,944,700		41,144,700		43,618,600
VII. Provincial Balances:								
1. Increased by unspent Grants.		1,072,310		—		—		—
2. Reduced by Expenditure from Balances.		—		*—1,368,100*		*— 56,100*		*—1,383,500*
Total Net Expenditure charged against Revenue.		38,888,810		41,576,600		41,200,800		42,235,100
Surplus		4,950,243		837,700		2,738,500		948,700

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

APPENDIX II.

Notes on the main heads of Net Revenue and Expenditure.

NET REVENUE.

Land Revenue.

	£
Accounts, 1901–1902	17,533,642
Budget, 1902–1903	17,030,600
Revised Estimate, 1902–1903	17,729,700
Budget, 1903-1904	18,352,700

In 1902-1903 provision was made in the Budget for remissions of famine arrears of Land Revenue amounting to £479,000 (viz. :—£367,000 in Bombay, £67,000 in the Central Provinces, £27,000 in the United Provinces of Agra and Oudh, and £18,000 in the Punjab). The Revised Estimate for that year shews an increase of £699,100 over the Budget figures, mainly due to the inclusion for the first time of receipts from Berar.

The Budget estimate for 1903-1904 provides for increases of £378,000 in Bombay (due to the anticipation that the normal demand will be realised), £100,000 in Burma (due in part to new settlements in Upper Burma) and for minor increases and decreases in other provinces.

Forests.

	£
Accounts, 1901–1902...	1,153,820
Budget, 1902–1903	1,287,600
Revised Estimate, 1902–1903	1,261,700
Budget, 1903-1904	1,316,000

The most important variations occur in Burma, where the gross receipts are as follows :—1901–1902, £391,600 ; 1902 1903 (Revised Estimate), £4 0,000 ; 1903 1904 (Budget), £467,000. In this province the season was unfavourable in 1901–1902. The inclusion of the figures for Berar adds £10,000 to the gross receipts for 1902–1903 and £33,000 to those for 1903–1904.

Tributes.

	Accounts, 1901-1902.	Budget, 1902-1903.	Revised Estimate, 1902-1903.	Budget, 1903-1904.
	£	£	£	£
Receipts	583,545	607,000	607,400	601,100
Assignments and Compensations.	26,565	31,400	39,800	206,100
Net	556,980	575,600	567,600	395,000

The lower receipts in 1901–1902 were due to the suspensions of tribute that have been allowed on account of the famine. In the "assignments and compensations" in the Budget for 1903–1904 provision is made for the first time for the annual rent that is to be paid to the Nizam under the arrangement for the administration of Berar, concerning which information has been given to Parliament in Parliamentary Paper Cd. 1321 of 1902.

Opium.

	Accounts, 1901–1902.	Budget, 1902–1903.	Revised Estimate, 1902–1903.	Budget, 1903–1904.
	£	£	£	£
Receipts	4,852,022	4,229,000	4,503,300	4,381,800
Charges	1,611,954	1,777,000	1,647,800	1,742,500
Net	3,240,068	2,452,000	2,855,500	2,639,300

In 1901–1902 the average price obtained at the Calcutta opium sales was higher than that realised in 1902–1903 and anticipated in 1903-1904; moreover, the crop was small and the payments to cultivators were therefore low. The estimate for 1903-1904 of payments to cultivators is made on the assumption that the crop will be normal. An improvement is anticipated in the exports of Malwa opium, of which in recent years the crops have been poor. Statistics are appended :—

	Bengal.		Bombay.		Chests of Bengal Opium produced.	Payments to Cultivators, including purchase of Opium.
	Chests sold.	Average price.	Chests of Malwa Opium passed for Export.	Rate of Duty per Chest.		
		Rs.		Rs.		£
Accounts, 1901–1902 ...	48,000	1,297	16,280	500	44,457	1,443,056
Budget, 1902–1903 ...	48,000	1,100	16,400	500	—	1,600,000
Revised Estimate, 1902–1903.	48,000	1,144	19,720	500	44,723	1,486,700
Budget, 1903–1904 ...	48,000	1,100	20,300	500	—	1,567,000

Salt.

	£
Accounts, 1901–1902...	5,673,991
Budget, 1902–1903	5,711,700
Revised Estimate, 1902–1903	5,783,700
Budget, 1903–1904	4,688,800

The increase in the Revised Estimate for 1902–1903 as compared with the Accounts for the previous year is attributed partly to improved facilities of distribution favouring consumption, partly to an improvement in the material condition of consumers. The increase would have been larger by £40,000 but for the reduction in the Salt Duty, which came into force on the 18th March, 1903, and lessened the receipts for the last fortnight of the year.

The decrease in the Budget for 1903–1904 is due to the reduction in the duty (*see* page 6 above).

Stamps.

	£
Accounts, 1901–1902...	3,409,436
Budget, 1902–1903	3,441,000
Revised Estimate, 1902–1903	3,432,800
Budget, 1903–1904	3,508,600

The Revised Estimate for 1902–1902 includes receipts of £29,000 on account of Berar. It shows some falling off in the Central Provinces, United Provinces, Madras, and Bombay.

A moderate improvement is anticipated in 1903–1904. The receipts include £57,000 on account of Berar.

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

Excise.

	£
Accounts, 1901–1902...	4,025,770
Budget, 1902–1903	4,072,600
Revised Estimate, 1902–1903	4,333,000
Budget, 1903–1904	4,457,700

The figures show an improvement in the Excise Revenue of all Provinces, which is attributed to increased prosperity.

Provincial Rates.

	£
Accounts, 1901–1902...	2,737,448
Budget, 1902–1903	2,731,100
Revised Estimate, 1902–1903	2,727,900
Budget, 1903–1904	2,780,800

The receipts for 1903–1904 include £44,600 on account of Berar.

Customs.

	£
Accounts, 1901–1902...	3,734,517
Budget, 1902–1903	3,517,400
Revised Estimate, 1902–1903	3,735,900
Budget, 1903–1904	3,515,700

The Budget Estimate for 1902–1903 allowed for some reduction of the abnormal receipts of the previous year, a decline being anticipated in the revenue from sugar, silver, and cotton. The fall in sugar and cotton has proved even greater than was estimated, the revised figures showing a decline of £132,900 in countervailing sugar duties as compared with 1901–1902, of £23,000 in ordinary sugar duties, and of £56,700 in the receipts from cotton manufactures. The falling off under sugar is due to the imposition of additional countervailing duties during the year, which practically stopped the imports from Austria-Hungary and Germany. On the other hand, an exceptional harvest in Burma caused an increase of £184,900 in the export duty on rice, and the receipts from silver and other metals were greater by £71,400.

In consequence of the legislation just referred to, it is anticipated that the yield of the countervailing duties on sugar will be considerably less in 1903–1904 than in the preceding year. It is also assumed that the exports of rice and the imports of silver will be below the very high level of 1902–1903, but an increase of the receipts from the import and excise duties on cotton is expected.

Assessed Taxes.

	£.
Accounts, 1901–1902...	1,362,227
Budget, 1902–1903	1,357,300
Revised Estimate, 1902–1903	1,403,300
Budget, 1903–1904	1,179,300

The revenue under this head consists almost entirely of the income tax receipts, and usually increases from year to year. The decrease anticipated in 1903–1904 is due to the reduction in the rate of the income tax from the 1st April, 1903, particulars of which are given at page 6.

Registration.

	£
Accounts, 1901–1902	312,081
Budget, 1902–1903	312,300
Revised Estimate, 1902–1903	307,300
Budget, 1903–1904	320,800

The receipts are principally derived from fees for registering documents.

Mint.

——	Accounts, 1901–1902.	Budget, 1902–1903.	Revised Estimate, 1902–1903.	Budget, 1903–1904.
	£	£	£	£
Receipts	555,369	66,200	418,100	366,700
Charges	504,029	111,300	410,900	404,200
Net receipts ...	51,340	*—45,100*	7,200	*—37,500*

The largest items in the figures above are those relating to the net profit on the coinage of new rupees. This profit is not retained as a part of the ordinary revenue of the Government of India, but is transferred in the year in which it accrues to the Gold Reserve Fund. The receipts shewn above include the following amounts on account of realised or estimated profit, and the charges include in each year a corresponding amount on account of actual or anticipated transfers to the Gold Reserve Fund :—

	£
Accounts, 1901–1902	415,100
Budget, 1902–1903	Nil
Revised Estimate, 1902–1903	263,400
Budget, 1903–1904	288,000

The amount shewn in the Budget for 1903–1904 is the estimated profit on the issue of British rupees to Native States and on the coinage of £300,000 silver bullion bought by the Government of India in 1902–1903.

The other items which go to make up the receipts under the head "Mint" include the fees for coinage of dollars for use in Hong Kong and the Straits Settlements, and the gain on the copper coinage.

The charges for the three years include the cost of withdrawing and re-coining the rupees bearing the date 1840, which comprise all rupees issued between the years 1840 and 1862. Their withdrawal and recoinage began in July, 1901, and is being pushed on as rapidly as possible. It was estimated in March, 1902 that the amount then in circulation was about 21 crores, or £14,000,000, so that the operation is likely to extend over some years. The net loss anticipated in 1903–1904 is due to the expenditure on this account.

Miscellaneous.

——	Accounts, 1901–1902.	Budget, 1902–1903.	Revised Estimate, 1902–1903.	Budget, 1903–1904.
	£	£	£	£
Receipts	345,057	320,400	320,900	354,200
Charges	322,818	329,800	564,100	303,400
Net receipts ...	22,239	*—9,400*	*—243,200*	50,800

The receipts under this head consist mainly of rents, unclaimed deposits, contributions, and premiums on bills, while the principal charges are for the up-keep of minor establishments, the remittance of treasure, charitable donations, and irrecoverable loans written off. The figures given above include the following charges on account of remission of advances made to agriculturists during the famine, chiefly in Bombay, viz. :—Accounts, 1901–1902, £140,000 ; Budget,

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

1902–1903, £133,500; Revised Estimate, 1902–1903, £207,300; Budget, 1903–1904, £67,200. A net charge of £100,500 on account of Berar is included in the Revised Estimate for 1902–1903.

Exchange.

	£
Accounts, 1901–1902	25,494
Budget, 1902–1903	*—20,300*
Revised Estimate, 1902–1903	36,900
Budget, 1903–1904	15,800

The average rate obtained for bills and telegraphic transfers sold by the Secretary of State for India during the year 1901–1902 was 15·988 pence per rupee, but there was a slight gain through remittances made for railway companies at contract rates. In 1902–1903 the average rate for bills and transfers was 16·0018 pence per rupee.

NET EXPENDITURE.

Debt Services.

	Accounts, 1901–1902.	Budget, 1902–1903.	Revised Estimate, 1902–1903.	Budget, 1903–1904.
	£	£	£	£
Interest on Total Debt	7,062,928	7,175,000	7,097,400	7,117,300
Deduct amount chargeable to Railways (*included under Railways, page* 22).	4,554,890	4,686,400	4,687,000	4,834,800
Deduct amount chargeable to Irrigation (*included under Irrigation, page* 24).	944,123	969,800	967,400	994,400
Interest on Ordinary Debt	1,563,915	1,518,800	1,443,000	1,288,100
Interest on other obligations	380,423	396,300	396,500	418,500
Total Charges	1,944,338	1,915,100	1,839,500	1,706,600
Receipts	785,680	764,200	872,200	730,600
Net Charges	1,158,658	1,150,900	967,300	976,000

The chief charge included under Debt Services is Interest on Ordinary Debt. The total debt is classified in the Accounts as (1) Public Works Debt and (2) Ordinary Debt. The amount entered as belonging to the former category is the equivalent of the total capital expenditure which has been incurred by the State on Public Works; the "Ordinary Debt" consists of the remainder of the debt. In any year in which, owing to the use of revenue or deposits for the construction of Public Works, the capital expenditure of the year exceeds the amount of debt incurred in the year, the effect of this system of classification is to cause a decrease to be shown in the amount of the Ordinary Debt and of the interest thereon. The figures in the table above show a decrease due to this cause.

The most important of the "other obligations" referred to in the table above are the Savings Banks Balances and the Service Funds and other special funds held by the Government of India.

The receipts shewn in the table include the interest received in India on loans granted by the Government to Native States, Municipalities, Port Trusts, &c., and in England on the balances of the Secretary of State in Council.

ARMY.

India.

	Accounts, 1901–1902.	Budget, 1902–1903.	Revised Estimate, 1902–1903.	Budget, 1903–1904.
NET CHARGES IN INDIA.				
Effective Services :—	£	£	£	£
Army and Garrison Staff ...	366,646	384,840	385,000	397,100
Regimental Pay, Allowances and Charges.	5,233,619	5,895,080	5,502,900	6,067,880
Supply and Transport... ...	2,447,489	2,506,680	2,460,900	2,552,400
Remount and Veterinary Establishments.	185,807	260,570	284,000	306,140
Medical Establishment ...	431,207	565,000	496,000	601,740
Ordnance Establishment ...	500,503	752,860	592,000	705,870
Other Effective Services ...	963,950	952,900	1,005,900	849,960
Total Effective	10,129,221	11,317,930	10,726,700	11,481,090
Non-effective Charges	550,827	550,470	566,000	580,310
Total (Effective and Non-effective)	10,680,048	11,868,400	12,292,700	12,061,400

England.

	Accounts, 1901–1902.	Budget, 1902–1903.	Revised Estimate, 1902–1903.	Budget, 1903–1904.
Effective Services :—				
Charges—	£	£	£	£
Payments to War Office for British Forces in India.	64,010	762,500	852,000	775,000
Furlough	310,694	338,000	360,000	338,000
Indian Troop Service and Passage of Officers.	204,448	269,000	378,500	349,100
Miscellaneous	24,663	42,000	52,300	27,100
Stores	1,428,445	1,460,200	1,252,600	1,229,600
Total	2,032,260	2,871,700	2,895,400	2,718,800
Receipts—				
Contribution of Imperial Government towards Transport Charges.	130,000	130,000	130,000	130,000
Contribution of Imperial Government towards Military Charges for Aden.	100,000	100,000	100,000	100,000
Value of Clothing transferred to Imperial Government.	25,487	111,600	58,300	207,200
Total	255,487	341,600	288,300	437,200
Net Charge for Effective Services ...	1,776,773	2,530,100	2,607,100	2,281,600
Non-effective Charges (net) ...	2,329,521	2,377,000	2,335,100	2,309,300
Total, England	4,106,294	4,907,100	4,942,200	4,590,900
Grand Total	14,786,342	16,775,500	16,234,900	16,652,300

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

Charges in India.—The variations shewn above in the figures for expenditure in India are largely due to the reduction of the establishment through the absence of troops in South Africa, China, and Somaliland. The savings from this cause, for which allowance is made in the figures given above, are as follows :—

	£
Accounts, 1901–1902	743,000
Budget, 1902–1903	Nil.
Revised Estimate, 1902–1903	479,500
Budget, 1903–1904	Nil.

The figures for 1902–1903 and 1903–1904 include provision for the addition of 2*d.* a day to the pay of British soldiers in India issued under the new recruiting scheme. The charge on this account in the estimates is as follows :—

	£
Budget, 1902–1903	226,000
Revised Estimate, 1902–1903	214,300
Budget, 1903–1904	204,800

Since the 1st of October, 1902, the Hyderabad Contingent has been paid by the Government of India, and the following additional charges are included on this account in the Revised Estimate for 1902–1903 and the Budget for 1903–1904, viz. :—

	£
Revised Estimate, 1902–1903	113,900
Budget, 1903–1904	237,600

Charges in England.—The most noteworthy variations in the figures for Army Expenditure in England are those which occur under the heading "Payments to War Office on account of British Forces in India." Under this heading are included (1) the "capitation rate" on account of services rendered by the War Office chiefly in connection with the training of British soldiers who are sent to join the Indian establishment, and (2) deferred pay earned by soldiers during their Indian service. The gross sum payable in respect of 1901–1902 was £604,889 (capitation rate £500,000 and deferred pay £104,889), but during the year £148,548 was refunded by the War Office on account of over payments in respect of 1899–1900 and £172,331 in respect of 1900–1901, and £220,000 was received from the War Office as a moiety of the cost of bounties given to soldiers in India in 1901–1902 to extend their service with the colours ; so that the net payment was £64,010. The estimated charge in 1902–1903 is £517,000 for capitation rate and £335,000 for deferred pay ; and in 1903–1904 £533,000 for capitation rate and £242,000 for deferred pay.

The increased expenditure in England on the Troop Service in 1902–1903 and 1903–1904 is due to the restoration of the system of Indian reliefs after the dislocation that occurred during the war in South Africa.

In each of the years dealt with in this Memorandum provision has been made for expenditure on measures for increasing the efficiency of the Army. The special provision for such measures in the Budget for 1903–1904 (which is included partly in the Estimates of expenditure in India and partly in those of expenditure in England) amounts to £667,000. The most important of the items in this total are £226,700 for continuance of the programme for re-arming the Native Army, Volunteers, and Imperial Service Troops, £103,700 towards the cost of erecting a rifle factory at Ishapore, and £87,400 for the Ishapore Rolling Mills ; other measures for which provision is made in 1903–1904 are an increase in the number of British officers of the Native Army, an increase in the pay of officers of the Royal Army Medical Corps serving in India, the reorganization of the departments for the control of horse and mule breeding and of the remounting of the Army, the formation of a Corps of Indian Coast Artillery, improvement of the Volunteer Force, reorganisation of Mule Corps, provision of mules for machine gun sections in the field army, and the establishment of new military dairies.

Military Works.

	£.
Accounts, 1901–1902	917,140
Budget, 1902–1903	958,100
Revised Estimate, 1902–1903	1,044,500
Budget, 1903–1904	1,009,700

The figures for each of the three years include expenditure on important new works. In 1903-1904 provision is made towards the cost of the Jubbulpore Gun Carriage Factory, the Ishapore Small Arms Factory, the Wellington Cordite Factory, and the Ishapore Rolling Mills.

Special Defence Works.

Budget, 1903–1904 ... ... £120,000

This sum is provided as the first instalment of the expenditure required to carry out a scheme of special coast defences.

Collection of Revenue.

	Accounts, 1901-1902.	Budget, 1902-1903.	Revised Estimate, 1902-1903.	Budget, 1903-1904.
	£	£	£	£
Land Revenue	2,861,735	3,065,500	2,946,300	3,183,100
Forest	705,581	824,000	787,800	873,000
Salt	343,630	358,300	345,300	364,300
Stamps	105,817	116,400	112,400	125,500
Excise	166,155	205,700	189,300	241,900
Provincial Rates	42,455	46,600	41,800	46,500
Customs	161,475	168,700	162,100	177,000
Assessed Taxes	23,823	24,400	24,200	25,200
Registration	171,736	175,100	172,000	179,900
Total Charge	4,582,407	4,984,700	4,781,200	5,216,400

The most important item is the collection of Land Revenue. The charges under this head include the cost of district administration, of the Departments of land records and agriculture, and of survey and settlement operations, allowances to district and village officers, and commission on collections. The Revised Estimate for 1902–1903 includes £22,000, and the Budget for 1903–1904 £102,000, on account of Berar. Among other causes of the increased charge in 1903–1904 are the provision for survey and settlement operations in Bengal and the revision of village establishments in Madras.

The increased expenditure under Forests is distributed over several provinces. The increase is greatest in Burma, from which province the largest portion of the revenue is derived.

The increase under Excise has occurred chiefly in Burma, where large additions have been made to the preventive and controlling establishments with a view to the protection of the revenue and the better regulation of the sale of opium.

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

Post Office.

	Accounts, 1901–1902.	Budget, 1902–1903.	Revised Estimate, 1902–1903.	Budget, 1903–1904.
	£	£	£	£
Receipts	1,383,709	1,377,100	1,435,000	1,441,400
Charges	1,280,624	1,354,000	1,343,600	1,434,400
Net revenue	103,085	23,100	91,400	7,000

It is estimated that in 1902–1903 the receipts have been increased by about £20,000 and the charges by about £9,000 in consequence of the Delhi Durbar. Provision is made in 1903–1904 for increased expenditure on establishments, for increased payments to railway companies, and for an additional payment of £20,000 to the British India Steam Navigation Company for a new Persian Gulf line service.

Telegraph.

	Accounts, 1901–1902.	Budget, 1902–1903.	Revised Estimate, 1902–1903.	Budget, 1903–1904.
	£	£	£	£
Charges	904,187	945,200	919,900	1,014,300
Receipts	908,109	831,400	882,900	884,400
Net charge	— *3,922*	113,800	37,000	129,900

The charges include the following amounts for capital expenditure :— 1901–1902, £276,176 ; 1902–1903 (Revised Estimate), £258,900 ; 1903–1904 (Budget), £292,300. There is also a net charge in the Budget for 1903–1904 of £31,100, in respect of the guarantee payable in connection with the reduction of the rate for foreign telegrams.

The reduction in the receipts since 1901–1902 occurs in the Indo-European Telegraph Department. The improvement in the receipts shown in the Revised Estimate for 1902–1903 as compared with the Budget is largely due to the Delhi Durbar.

Railways.

	Accounts, 1901–1902.	Budget, 1902–1903.	Revised Estimate, 1902–1903.	Budget, 1903–1904.
	£	£	£	£
State Railways :— Gross Receipts	19,277,226	18,916,900	19,060,900	19,371,600
Working Expenses ...	9,492,334	9,401,700	9,784,800	9,903,200
Interest on Capital spent or advanced by the State.	4,554,890	4,686,400	4,687,000	4,834,800
Interest on Capital deposited by Companies.	1,077,660	1,195,600	1,170,500	1,259,400
Annuities in purchase of railways.	2,997,759	2,999,700	2,999,200	3,003,900
Total charges	18,122,643	18,283,400	18,641,500	19,001,300
Net receipts	1,154,583	633,500	419,400	370,300
Guaranteed Railways :— Net charge to the State...	249,228	197,700	205,900	233,500
Miscellaneous charges(net)	58,739	140,900	52,900	95,900
Net receipts from all Railways.	846,616	294,900	160,600	40,900

Before 1899–1900 the Railway Revenue Account always shewed a net charge. From that year onwards it has shewn a net receipt. The figures from 1894–1895 are as follows :—

		£
1894–1895	Net charge	295,539
1895–1896	„	84,820
1896–1897	„	1,152,467
1897–1898	„	709,313
1898–1899	„	620,165
1899–1900	Net receipt	76,756
1900–1901	„	325,124
1901–1902	„	846,616
1902–1903 (Revised Estimate.)	„	160,600
1903–1904 (Budget Estimate.)	„	40,900

The profit derived by the State from the railways arises from the State lines, under which head are included not only the lines worked by the State (of which the most important are the North-Western, Eastern Bengal, and Oudh and Rohilkhand systems), but also lines which, being the property of the State, are worked by companies. Among the most important of the lines included in the latter class are the East Indian, Great Indian Peninsula, Bengal-Nagpur, Indian Midland, Rajputana-Malwa, Assam-Bengal, Southern Mahratta, South Indian, and Burma Railways.

The gross receipts in 1901–1902 were very large as compared with the standard of previous years. The figures for 1902–1903 shew a falling off, and only a moderate increase is anticipated in 1903–1904. Excluding, for the purpose of comparison, the receipts of the Great Indian Peninsula Railway, which was transferred from the class of guaranteed railways to that of State Railways in 1900–1901, the gross receipts for 10 years are as follows :— 1894–1895, £12,101,386 ; 1895–1896, £12,372,426 ; 1896–1897, £11,759,711 ; 1897–1898, £12,696,340 ; 1898–1899, £13,075,980 ; 1899–1900, £14,653,223 ; 1900–1901, £15,170,313 ; 1901–1902, £16,432,994 ; 1902–1903 (Revised Estimate), £16,144,200 ; 1903–1904 (Budget), £16,551,600. In 1902–1903 the expenditure on maintenance and renewals was high, and provision is made for further large expenditure of this nature in 1903–1904.

The charge for annuities includes the following payments in redemption of capital : 1901–1902, £590,100 ; 1902–1903, £610,200 ; 1903–1904, £631,000.

The transactions included under the heading " Guaranteed Railways " are, with slight exceptions, those of the Madras Railway Company and of the Bombay, Baroda and Central India Railway Company. In the case of both railways the net traffic receipts fall short of the charges for the guaranteed interest and for the share of " surplus profits " payable by the Government of India to the Companies under the Contracts. The amount of the deficiency is as follows : Madras Railway Company, 1901–1902, £191,512 ; 1902–1903 (Revised Estimate), £166,730 ; 1903–1904, £197,370 ; Bombay, Baroda and Central India Railway Company, 1901–1902, £64,324 ; 1902–1903 (Revised Estimate), £41,170 ; 1903–1904 (Budget), £38,200.

The miscellaneous charges include expenditure in connection with minor companies, surveys, &c.

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

Irrigation.

	Accounts, 1901–1902.	Budget, 1902–1903.	Revised Estimate, 1902–1903.	Budget, 1903–1904.
MAJOR WORKS:	£	£	£	£
Receipts	2,372,975	2,553,800	2,692,000	2,625,500
Working Expenses	701,920	737,900	765,000	757,900
Interest on Debt	944,123	969,800	967,400	994,400
Net Receipts	726,932	846,100	959,600	873,200
MINOR WORKS:				
Receipts	164,598	142,900	143,000	169,800
Expenditure	718,658	914,700	850,800	980,300
Net Expenditure	554,060	771,800	707,800	810,500
Net Receipts, Major and Minor Works.	172,872	74,300	251,800	62,700

The improvement in the receipts from Major Works shewn in the Revised Estimate for 1902–1903 as compared with the Budget occurs mainly in the Punjab, the United Provinces of Agra and Oudh, and Bengal, the canals which shew the largest increases being the Chenab, Western Jumna, Bari Doab, and Ganges.

In the Budget for 1902–1903 a special grant of £166,700 (25 lakhs) was made for Minor Irrigation Works, but projects were not ready in time to allow of the whole grant being spent with advantage in the year. A further grant of 25 lakhs is made in the Budget for 1903–1904.

Famine Relief and Insurance.

	Accounts, 1901–1902.	Budget, 1902–1903.	Revised Estimate, 1902–1903.	Budget, 1903–1904.
	£	£	£	£
Famine Relief	529,181	423,200	313,500	102,000
Protective Railways...	—	—	10,300	153,300
Protective Irrigation Works ...	70,693	93,900	106,400	166,700
Reduction or avoidance of Debt ...	284,638	474,200	558,000	578,000
Total	884,512	991,300	988,200	1,000,000
Add net loss on Bengal-Nagpur Railway, included under Railway Revenue Account.	115,488	8,700	11,800	—
Grand Total	1,000,000	1,000,000	1,000,000	1,000,000

A sum of not less than £1,000,000 is annually appropriated for the purposes of Famine Relief and Insurance. When the outlay on direct famine relief is less than this sum, the balance is used partly for the construction or

maintenance of protective railways and irrigation works (the cost of which is regularly defrayed from revenue) and partly as a contribution towards the capital expenditure on ordinary public works, which would otherwise be met from accumulated balances or from borrowed money. The amount of this contribution is shown under the head of "Reduction or Avoidance of Debt." The result of using, towards capital expenditure, a part of the provision for Famine Relief and Insurance is that the assets of the Government of India are increased, without a corresponding increase of their liabilities; and this acts as a set-off to the increase of the net liabilities which occurs when, in famine years, expenditure from relief has to be met in part from borrowed money.

The expenditure on famine relief shewn above for 1901–1902 occurred mainly in Bombay. In the Budget for 1903–1904 provision is made for an expenditure of £100,000 on Relief in the Central Provinces, and £2,000 in the United Provinces of Agra and Oudh.

The provision for Protective Railways in the Budget for 1903–1904 is intended for the construction of feeder lines in Madras.

The net charge, if any, for working the Bengal-Nagpur and the Indian Midland Railways, which were constructed as protective works, is debited to the Famine Insurance Grant, though, for convenience, the cost is included in the Railway Revenue Account.

Civil Departments.

	£
Accounts, 1901–1902	9,885,601
Budget, 1902–1903	10,864,100
Revised Estimate, 1902–1903	10,325,800
Budget, 1903–1904	10,923,400

The following table shews the charges for the several departments :—

	Accounts, 1901–1902.	Budget, 1902–1903.	Revised Estimate, 1902–1903.	Budget, 1903–1904.
	£	£	£	£
General Administration . .	1,362,755	1,362,300	1,518,000	1,423,600
Law Courts	1,925,531	2,037,200	1,957,700	2,081,400
Jails	521,044	539,900	474,500	530,400
Police	2,663,490	2,809,100	2,717,500	2,856,800
Marine	452,810	373,300	347,200	399,700
Education	958,999	1,311,300	1,061,800	1,328,400
Ecclesiastical	112,776	118,500	112,000	119,500
Medical	793,842	966,800	865,500	958,900
Political	687,074	902,800	873,600	750,200
Scientific and Minor Departments.	407,280	442,900	398,000	474,500
Total	9,885,601	10,864,100	10,325,800	10,923,400

The greater part of the increase under General Administration in the Revised Estimate for 1902–1903 over the Budget is due to expenses in connection with the Delhi Durbar, but £12,870 is included for Berar.

The larger provision for expenditure on Law Courts in 1903–1904 is mainly required for the revision of establishments in various provinces.

The increase in Police Expenditure shewn in the Budget for 1903–1904 occurs mainly in Bengal and Burma.

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

Special grants of £290,000 were made to the Provincial Governments for Education in the Budget for 1902–1903. In some cases Provincial Governments have decided to devote a portion of these grants to the construction of school buildings, and the expenditure incurred for this purpose is transferred to the head "Civil Works"; a portion of the grants was not spent during the year and will remain available for future years. Further grants of £266,700 are provided in the Budget for 1903–1904.

The Political Charges in the Revised Estimate for 1902–1903 include £197,400 for the Delhi Durbar.

Miscellaneous Civil Charges.

	£
Accounts, 1901–1902	3,559,115
Budget, 1902–1903	3,625,400
Revised Estimate, 1902–1903	3,664,900
Budget, 1903–1904	3,666,600

The charges under this head include Territorial and Political Pensions, Furlough and Absentee Allowances, Superannuation Allowances and Pensions, and Stationery and Printing. The chief increase occurs under Superannuation Allowances and Pensions, for which the net charge is as follows :—

——	India.	England.	Total.
	£	£	£
1901–1902	666,093	1,894,955	2,561,048
1902–1903 (Revised Estimate) ...	695,500	1,931,800	2,627,300
1903–1904 (Budget)	712,500	1,948,900	2,661,400

Civil Works.

	£
Accounts, 1901–1902	3,235,929
Budget, 1902–1903	3,785,600
Revised Estimate, 1902–1903	3,550,800
Budget, 1903–1904	3,983,300

In the Budget for 1902–1903 special grants, amounting to £363,600, were made to Provincial Governments for expenditure on Civil Works, but the full amount provided was not spent in the year. The largest saving occurred in Madras. Further grants, amounting to £266,700, were made at the end of 1902–1903 for expenditure in 1903–1904, and the amount of these grants is included in the Budget Estimate of expenditure for the latter year.

Provincial and Local Railways.

	£
Accounts, 1901–1902	– *66,709*
Budget, 1902–1903	87,600
Revised Estimate, 1902–1903	53,900
Budget, 1903–1904	51,600

The credit in 1901–1902 was due to the fact that the Mayavaram-Mutupet Railway, the expenditure on which had been defrayed in part from revenue, has been transferred to the Tanjore District Board, the Government expenditure being regarded as a loan to the Board. The further expenditure by the Board in 1902–1903 and 1903–1904 is included in the "Local" section of the Accounts.

Provincial Balances.

Notes on the main heads of Net Revenue and Expenditure.

In 1901–1902 the Government of India, having regard to the strain that had been thrown on Provincial Revenues by famine, made special grants of £1,362,900 to Provincial Governments; and the balances of those Governments were higher by £1,072,300 on 31st March, 1902, than on 31st March, 1901.

In the Budget for 1902–1903 grants of £1,165,400 were provided for Provincial Governments, of which £266,700 were for expenditure on Education, £213,300 for Civil Works, £166,700 for Irrigation, £120,000 for Administrative Improvements, and £398,700 was given as compensation for loss of Revenue in 1902–1903 and subsequent years, due to the remission of famine arrears. It was anticipated, when the Budget was prepared, that during the year the balances of the Provincial Governments would be reduced by £1,368,100. The Revenue of the Provincial Governments during the year was, however, greater than had been anticipated, and a considerable portion of the expenditure which was to have been incurred on Education, Civil Works, Medical Establishments, Police, General Administration, Law Courts, Jails, and other Services had to be postponed pending the completion of schemes. Moreover, the Government of India, when preparing the Revised Estimates for 1902–1903, decided to provide from the Revenue of that year £266,700 for expenditure on Provincial Objects in 1903–1904. In consequence, the Revised Estimate shews an increase of £56,100 in the Provincial Balances instead of the anticipated reduction.

In the Budget for 1903–1904 further grants of £366,900 are made, viz.:— £266,700 for Education and £100,200 for District and other Establishments, and it is anticipated that the Provincial Governments will spend during the year, in addition to these grants, £1,383,500 from their balances.

In the ordinary course, new Provincial settlements for all Provinces would have been introduced in 1902–1903, and this was actually done as regards Burma. But, as the circumstances of the period during which the settlements of 1897 have been in force were abnormal, and as important questions relating to the general character of future settlements are under consideration, it was decided to postpone the new settlements in the rest of India. It is hoped that new arrangements will be brought into effect in Bengal, the United Provinces, Assam, and Madras in 1904–1905, and in Bombay, the Central Provinces, and the Punjab in 1905–1906.

Appendix III.

Home Charges.

APPENDIX III.

Home Charges.

The following is an analysis of the Net Expenditure in England charged on the Revenue of the year :—

Net Expenditure.	Accounts, 1901-1902.	Revised Estimate, 1902-1903.	Budget, 1903-1904.
	£	£	£
Interest and Management of Debt (excluding Interest charged in Railway Revenue Account)	2,975,259	2,899,900	3,005,500
Railway Revenue Account	6,411,782	6,521,700	6,638,700
Civil Administration: Payments on account of Departments in India, passage, outfit, &c. ..	37,184	39,800	31,300
Postal Subsidy	52,000	52,000	52,000
Telegraph: Red Sea Company's Annuity	18,027	18,000	18,000
„ Indo-European	102,939	87,100	61,600
„ Joint Purse Guarantee	—	—	38,000
Public Works: Civil Engineering College	14,071	11,800	18,400
„ Other Charges	1,672	3,500	2,00
Marine: His Majesty's ships in Indian Seas	107,333	105,500	100,200
„ Indian Government Defence Vessels	65,289	64,500	14,000
„ Other Charges	880	2,000	2,000
India Civil Service: Allowances to Candidates, Examinations, &c. ..	7,749	7,000	8,100
Lunatics: Maintenance	3,025	2,400	2,400
Political Charges: Persian Mission and Minor Consulates	6,400	5,000	4,100
„ Pensions: Territorial and Political	10,722	10,800	10,800
„ Other Charges	486	2,800	1,500
India Office: Salaries of Establishment	130,519	130,400	130,100
„ Auditor's Department	7,374	7,600	7,000
„ Store Department	23,792	23,100	24,400
„ Stationery, Postage, Telegrams, and other Charges	14,898	22,200	27,100
Army, Effective: Home Charges of British Forces serving in India (including receipt on account of Aden)	*35,179*	758,000	693,000
„ „ Troop Service and Transport (including receipt from War Office)	63,454	217,000	170,900
„ „ Other Charges	24,200	51,700	27,100
Stores: Civil and Public Works	268,062	290,300	255,200
„ Telegraph	162,611	150,000	160,500
„ Marine	140,849	75,500	138,100
„ Military	1,414,415	1,226,400	1,070,600
„ Miscellaneous Charges	7,237	10,000	10,000
Furlough: Civil and Marine	251,807	249,000	257,500
Military	309,883	354,000	320,000
„ Telegraph and Public Works	54,231	65,000	61,000
Non-Effective Charges: Civil and Marine	1,296,631	1,338,500	1,353,600
„ Military	2,927,845	2,928,400	2,904,600
Total	16,877,447	17,730,900	17,319,300

There is an increase in the Budget for 1903–1904, as compared with the Accounts for 1901–1902, of £226,918 in the Railway Revenue Account, of £838,525 in Army-Effective, of £22,579 in Furlough Pay, and of £69,907 in other services. On the other hand, there is a decrease of £358,774 in Stores, mainly Army, and of £57,302 under Marine ; so that the increase in the net sterling Expenditure is £741,853.

The Expenditure in England not charged on the Revenues of the year, according to the Accounts and Estimates, is as follows :—

Expenditure.	Accounts, 1901-1902.	Revised Estimate, 1902-1903.	Budget, 1903-1904.
	£	£	£
Capital outlay on construction of State Railways	853,201	1,518,200	1,806,000
„ „ on Irrigation Works	7,317	6,500	7,400
Total	860,518	1,524,700	1,813,400

APPENDIX IV.

Railways.

Length of railways open in India on 31st March, 1901		25,072·46 miles.
Length of railways open in India on 31st March, 1902		25,378·34 „
Additional mileage opened in 1902–1903:—		
Bengal-Nagpur	171·44 miles	
Burma	164·70 „	
Khushalgárh-Kohat	92·20 „	
South Indian	90·96 „	
Jodhpur-Bikaner	88·00 „	
East Indian	86·06 „	
Bengal, North Western and Tirhoot	69·75 „	
Shoranur-Cochin	64·83 „	
Assam-Bengal	55·84 „	
Bengal Dooars	48·46 „	
Eastern Bengal	44·51 „	
Vijapur-Kalol-Kadi	41·80 „	
Madras	31·98 „	
Tinnevelly-Quilon	19·07 „	
Mayavaram-Mutupet	17·03 „	
Gaekwar's Railway	9·20 „	
Total		1,095·83 „
Length of railways open in India on 31st March, 1903		26,474·17 miles.

—	1900.	1901.	1902.
Number of passengers carried	176,308,000	194,749,000	196,648,000
Tons of goods carried	42,896,000	43,392,000	45,537,000

Appendix IV.

Railways.

Percentage of Net Traffic Receipts of Railways on Capital Outlay.

(The Capital at charge for each line on 31st March, 1902 is calculated by deducting from the total capital outlay up to 31st March, 1902, half the outlay in 1901–1902.)

—	—	Capital at Charge, March 31st, 1902.	Net Receipts, 1901-1902.	Percentage of Net Receipts on Capital Outlay.
		£	£	
Guaranteed ...	Bombay, Baroda, and Central India...	10,525,011	553,545	5·26
	Madras	11,793,639	361,444	3·06
State	East Indian	38,698,359	3,140,115	8·11
	Rajputana-Malwa	10,295,780	1,006,709	9·78
	Bhopal	172,522	9,616	5·57
	Palandur Deesa	15,551	929	5·97
	Bengal-Nagpur	14,902,619	429,978	2·88
	Warora Colliery	109,023	17,708	16·24
	Burma	7,637,266	352,617	4·62
	Assam-Bengal	7,180,253	26,432	·37
	Gorhat	60,508	*—93*	—
	Cherra-Companyganj	—	*—321*	—
	Eastern Bengal...	9,504,071	553,015	5·82
	Bengal Central	997,685	43,536	4·36
	Brahmaputra-Sultanpore	171,666	5,947	3·47
	Tirhoot	3,038,030	171,289	5·64
	Oudh and Rohilkhand	11,666,439	462,476	3·96
	Indian Midland	8,181,720	293,108	3·58
	Lucknow-Bareilly Section	700,643	48,969	6·99
	North Western	37,190,502	1,360,074	3·66
	South Indian	6,402,020	362,227	5·66
	North East Line, Madras Railway ...	4,079,796	145,169	3·56
	Bezwada Extension	76,951	9,610	12·49
	Guntakal-Mysore Frontier	393,499	8,462	2·15
	Mysore	1,168,320	25,287	2·16
	Mayaveram-Mutupet	202,848	8,945	4·41
	Great Indian Peninsula	27,283,519	1,490,694	5·46
	Southern Mahratta	7,887,522	110,180	1·40
	Jodhpur - Hyderabad (British Section).	261,477	10,389	3·97
		220,770,333	11,015,637	4·99
Unopened lines, stores, &c.	... .	1,528,159		
		222,298,492	11,015,637	4·95
Private Companies :— Government payments.	... ...	1,698,281		
		223,996,773		

APPENDIX V.

MAJOR IRRIGATION WORKS: CAPITAL OUTLAY AND NET REVENUE.

	Capital Outlay till end of 1901-1902.	Net Revenue (being gross receipts less working expenses) 1901-1902.	Percentage of net Revenue on Capital Outlay.
	£	£	
Bengal :—			
Orissa Project	1,726,288	— *3,073*	— *·18*
Midnapur	552,686	5,288	·95
Sone	1,721,612	39,451	2·29
United Provinces :—			
Ganges	1,894,253	173,072	9·14
Lower Ganges	2,252,235	77,086	3·42
„ „ Fatehpur Branch	207,304	— *3,108*	— *1·49*
Agra	599,456	27,040	4·51
Eastern Jumna	256,173	64,423	25·15
Betwa	285,869	— *1,753*	— *·61*
Punjab :—			
Western Jumna	1,094,806	87,975	8·04
Bari Doab	1,230,492	149,872	12·18
Sirhind (State outlay)	1,552,855	101,487	6·56
Chenab	1,727,430	340,512	19·70
Jhelum	617,718	— *1,336*	— *·22*
Swat River	266,020	27,704	10·41
Madras :—			
Godavari Delta	759,346	172,987	22·78
Kistna Delta	871,530	153,423	17·60
Pennèr River	341,660	21,938	6·42
Periyar Project	573,328	23,096	4·03
Rushikulya Project	295,941	2,437	·82
Bombay:—			
E. Nara Works	404,289	25,244	6·24
Jamrao	520,394	18,219	3·50
Mutha	431,875	14,193	3·29
Nira	357,202	11,501	3·22
Burma :—			
Mandalay	265,961	—	—
Other Works	3,158,115	143,376	4·54
Total	23,964,864	1,671,054	6·97

Appendix VI.

Trade Tables.

APPENDIX VI

Trade Tables.

I.—Summary of Sea-borne Trade.

II.—Imports and Exports of Merchandise: Summary distinguishing Government transactions from transactions on Private Account.

III.—Analysis of Imports of Merchandise, shewing the principal articles separately.

IV.—Analysis of Exports of Merchandise, shewing the principal articles separately.

V.—Analysis of Imports of Merchandise on Private Account, shewing separately the countries of origin.

VI.—Analysis of Exports of Indian Merchandise on Private Account, shewing separately the countries of destination.

VII.—Movements of Treasure.

I.—*Summary of Sea-borne Trade.*

	1900–1901.	1901–1902.	1902–1903.
	£	£	£
Imports :—			
Merchandise	53,929,726	59,154,925	57,244,055
Treasure	16,384,508	13,734,224	16,878,879
Total	70,314,234	72,889,149	74,122,934
Exports :—			
Merchandise :—			
Indian Produce	69,619,097	80,982,143	84,273,828
Re-exports	2,193,280	2,281,384	1,998,128
Total	71,812,377	83,263,527	86,271,956
Treasure	9,484,930	7,647,240	6,438,425
Total	81,297,307	90,910,767	92,710,381
Total Imports and Exports	151,611,541	163,799,916	166,833,415
Net Exports...	10,983,073	18,021,618	18,587,447

II.—*Imports and Exports of Merchandise: Summary distinguishing Government Transactions from Transactions on Private Account.*

	1900–1901.	1901–1902.	1902–1903.
	£	£	£
Imports of Merchandise :—			
Private	50,851,923	54,313,878	52,514,742
Government	3,077,803	4,841,047	4,729,313
Total Imports	53,929,726	59,154,925	57,244,055
Exports of Merchandise :—			
Private	71,579,353	82,976,586	85,884,466
Government	233,024	286,941	387,490
Total Exports	71,812,377	83,263,527	86,271,956
Net Exports, Private	20,727,430	28,662,708	33,369,724
Net Imports, Government	2,844,779	4,554,106	4,341,823

III.—*Analysis of Imports of Merchandise, shewing the principal articles separately.*

	1900–1901.	1901–1902.	1902–1903.
A. *On Private Account*—	£	£	£
1. Live Animals	324,880	311,043	296,627
2. Articles of Food and Drink :—			
Liquors	1,077,939	1,109,696	1,179,808
Provisions :—			
From United Kingdom	475,239	470,497	505,472
From elsewhere	841,905	852,618	721,876
Total	1,317,144	1,323,115	1,227,348
Salt	377,338	517,944	414,336
Sugar (Refined) :—			
From United Kingdom	90,047	138,068	201,466
From Mauritius	1,543,275	1,239,860	1,264,882
From Austria and Germany	1,337,319	1,932,703	655,401
From elsewhere	681,209	434,520	1,057,955
Unrefined Sugar, Molasses, and Confectionery ...	118,294	156,222	123,596
Total	3,770,144	3,901,373	3,303,300
Spices	586,071	565,060	565,214
Other articles	919,725	387,152	313,571
Total value of articles of Food and Drink ...	8,048,361	7,804,340	7,003,577
3. Metals and Machinery :—			
Hardware and Cutlery :—			
From United Kingdom	854,080	791,495	928,753
From Germany	155,139	171,918	142,063
From elsewhere	218,430	174,345	261,922
Total	1,227,649	1,137,758	1,332,738

Appendix VI.

Trade Tables.

III.—*Analysis of Imports of Merchandise, shewing the principal articles separately—cont.*

A. *On Private Account—cont.*	1900-1901.	1901-1902.	1902-1903.
3. Metals and Machinery—*cont.*	£	£	£
Machinery and Millwork :—			
From United Kingdom	1,444,291	1,924,908	1,804,405
From elsewhere	60,748	79,013	64,963
Total	1,505,039	2,003,921	1,869,368
Iron and Steel :—			
From United Kingdom	1,959,498	1,890,770	3,382,313
From Belgium	827,853	1,080,169	
From elsewhere	261,070	271,674	
Total	3,048,421	3,242,613	3,382,313
Copper	611,422	720,297	1,306,662
Other Metals	627,814	636,480	632,033
Railway Plant (other than Government Stores) ...	894,080	1,028,386	1,074,341
Total value of Metals and Machinery :—			
From United Kingdom	5,792,715	6,291,015	9,597,455
From Belgium	960,045	1,214,826	
From elsewhere	1,161,665	1,263,614	
Total	7,914,425	8,769,455	9,597,455
4. Chemicals, Drugs, Medicines, Narcotics, Dyeing and Tanning Materials.	1,483,749	1,606,399	1,631,116
5. Oils	2,504,680	2,812,605	2,476,553
6. Raw materials and unmanufactured articles :—			
Jewellery	384,950	740,260	763,498
Silk	677,960	539,747	367,713
Other articles	1,408,781	1,264,189	1,182,916
Total	2,471,691	2,544,196	2,314,127

III.—*Analysis of Imports of Merchandise, shewing the principal articles separately—cont.*

	1900–1901.	1901–1902.	1902–1903.
A. *On Private Account—cont.*	£	£	£
7. Articles manufactured and partly manufactured :—			
Cotton :—			
From the United Kingdom	18,940,333	20,872,270	20,297,398
From elsewhere	949,896	1,057,715	
Total	19,890,229	21,929,985	20,297,398
Silk	1,110,541	989,801	1,088,910
Wool :—			
From the United Kingdom	885,568	799,516	937,336
From elsewhere	522,816	513,483	
Total	1,408,384	1,312,999	937,336
Apparel (excluding boots) :—			
From the United Kingdom	465,345	468,547	529,879
From elsewhere	434,517	525,614	512,279
Total	899,862	994,161	1,042,158
Glass and Glassware :—			
From the United Kingdom	100,579	103,982	118,003
From Austria	160,179	217,557	232,790
From elsewhere	242,693	295,346	279,736
Total	503,451	616,885	630,529
Other articles	4,291,670	4,622,009	5,198,956
Total value of articles manufactured and partly manufactured.	28,104,137	30,465,840	29,195,287
Total value of Imports of Merchandise on Private Account :—			
From the United Kingdom	32,450,647	35,037,509	52,514,742
From elsewhere	18,401,276	19,276,369	
Total	50,851,923	54,313,878	52,514,742
B. *Government Stores*	3,077,803	4,841,047	4,729,313
Grand Total, Imports of Merchandise ...	53,929,726	59,154,925	57,244,055

Appendix VI.

Trade Tables.

IV.—*Analysis of Exports of Merchandise, shewing the principal articles separately.*

	1900–1901.	1901–1902.	1902–1903.
A. *Indian Merchandise exported on Private Account.*	£	£	£
1. Animals, living	145,833	142,634	137,813
2. Articles of Food and Drink :—			
Coffee	818,967	833,480	880,842
Rice :—			
To the United Kingdom	913,807	949,576	
To Egypt	2,409,096	2,220,948	12,597,781
To other countries	5,489,863	6,109,187	
Total	8,812,766	9,279,711	12,597,781
Wheat :—			
To the United Kingdom	2,546	1,169,480	
To Egypt	2,413	490,754	3,323,138
To other countries	253,974	757,905	
Total	258,933	2,413,139	3,323,138
Other grains and Pulse	282,526	494,444	1,069,145
Provisions	385,037	406,441	452,571
Spices	361,010	493,885	424,140
Tea :—			
To United Kingdom	5,768,524	4,927,014	4,186,004
To other countries	598,763	505,979	721,757
Total	6,367,287	5,432,993	4,907,761
Other articles	249,830	183,583	280,702
Total, Articles of Food and Drink	17,536,356	19,542,676	23,936,080
3. Metals and Manufactures of Metals	285,460	200,130	200,538
4. Chemicals, Drugs, Dyeing Materials, &c.:			
Opium :—			
To China	4,495,821	4,084,841	4,017,450
To other countries	1,807,803	1,597,149	1,327,174
Total	6,303,624	5,681,990	5,344,624

IV.—*Analysis of Exports of Merchandise, shewing the principal articles separately—cont.*

A. *Indian Merchandise exported on Private Account—cont.*	1900-1901.	1901-1902.	1902-1903.
4. Chemicals, Drugs, Dyeing Materials, &c.—*cont.*			
Indigo :—	£	£	£
To the United Kingdom	269,876	369,913	147,452
To Egypt	220,396	188,215	197,388
To other countries	933,715	676,709	458,948
Total	1,423,987	1,234,837	803,788
Other articles	864,609	990,670	994,566
Total, Chemicals, Drugs, &c.	8,592,220	7,907,497	7,142,978
5. Oils	437,678	461,167	571,793
6. Raw Materials and Unmanufactured Articles :—			
Cotton :—			
To Germany	1,186,319	1,191,198	1,829,912
To Japan	1,223,251	4,485,829	2,650,185
To other countries	4,342,030	3,940,369	5,358,035
Total	6,751,600	9,617,396	9,838,132
Hides and Skins (Unprepared) :—			
To the United States	1,606,001	1,856,788	1,633,097
To other countries	3,052,967	1,860,971	2,060,947
Total	4,658,968	3,717,759	3,694,044
Jute :—			
To the United Kingdom	3,275,739	3,529,727	3,281,812
To Germany	1,465,199	1,527,425	1,478,876
To other countries	2,504,233	2,807,696	2,656,962
Total	7,245,171	7,864,848	7,417,650
Linseed	2,970,673	4,509,196	3,793,993
Til or Jinjili	1,037,238	1,429,291	1,939,574
Wood, Teak and other	670,202	548,953	547,118
Wool :—			
To the United Kingdom	590,692	504,076	764,897
To other countries	11,304	25,141	11,983
Total	601,996	529,217	776,880
Other articles	4,541,521	7,676,770	6,719,128
Total, Raw Materials and Unmanufactured Articles	28,477,369	35,893,430	34,726,519

Appendix VI. Trade Tables.

IV.—*Analysis of Exports of Merchandise, shewing the principal articles separately—cont.*

	1900–1901.	1901–1902.	1902–1903.
A. *Indian Merchandise exported on Private Account—cont.*	£	£	£
7. Manufactured and partly manufactured articles :—			
Cotton :—			
To China	2,540,166	5,910,160	6,671,871
To other countries	1,261,804	1,333,374	
Total	3,801,970	7,243,534	6,671,871
Jute :—			
To the United Kingdom	930,154	733,256	6,013,266
To the United States	1,266,824	1,843,429	
To other countries	3,046,090	3,230,926	
Total	5,243,068	5,807,611	6,013,266
Hides and Skins :—			
To the United Kingdom	2,535,035	1 560,969	1,683,809
To other countries	461,088	208,395	248,249
Total	2,996,124	1,769,364	1,932,058
Lac :—			
To the United Kingdom	229,750	255,955	1,205,030
To other countries	470,115	380,406	
Total	699,865	636,361	1,205,030
Other articles	1,224,389	1,198,970	1,389,179
Total, manufactured and partly manufactured articles.	13,965,416	16,655,841	17,211,404
Total exports of Indian merchandise on Private Account :—			
To the United Kingdom	20,900,167	20,247,023	83,927,125
To other countries	48,540,165	60,556,252	
Total	69,440,332	80,803,375	83,927,125
B. *Government Stores, exports*	178,765	178,768	346,703
Total exports, Indian merchandise	69,619,097	80,982,143	84,273,828

IV.—*Analysis of Exports of Merchandise, shewing the principal articles separately—cont.*

	1900–1901.	1901–1902.	1902–1903.
Re-exports:—	£	£	£
C. *On Private Account—*			
Cotton, wool and apparel	1,180,603	1,331,228	1,074,155
Other articles	958,418	841,983	883,185
D. *Government Stores*	54,259	108,173	40,788
Total	2,193,280	2,281,384	1,998,128
Grand Total, Exports of Merchandise	71,812,377	83,263,527	86,271,956

V.—*Analysis of Imports of Merchandise on Private Account, shewing separately the countries of origin.*

Countries.	1900–01.	1901–02.	1902–03.
	£	£	£
Europe :—			
United Kingdom	32,450,647	35,037,509	34,855,976
Austria-Hungary	2,091,229	2,626,479	1,701,464
Belgium	1,620,312	2,008,860	2,055,439
France	738,945	917,836	945,516
Germany	1,735,361	2,024,844	1,441,276
Holland	286,905	399,497	411,396
Italy	550,953	649,903	557,115
Malta...	956	1,003	926
Russia	1,892,955	2,124,110	1,803,883
Other countries	195,410	126,262	111,354
Total	41,563,673	45,916,303	43,884,345
Africa and adjacent Islands :—			
Egypt	199,005	169,309	202,668
Africa, East (British)	115,871	144,945	153,892
„ „ (Portuguese)	14,568	9,762	7,299
„ „ (other ports)	5,974	4,302	14,742
Mauritius	1,613,032	1,307,370	1,334,840
Réunion	—	—	60
Other countries	6,792	10,658	4,907
Total	1,955,242	1,646,346	1,718,408

Appendix VI.

Trade Tables

V. *Analysis of Imports of Merchandise on Private Account, shewing separately the countries of origin—cont.*

Countries.	1900–01.	1901–02.	1902–03.
	£	£	£
America :—			
Canada	600	14,535	1
South America	3	77	278
United States	833,303	785,927	808,661
West Indies	278	57	6,016
Total	834,184	800,596	814,956
Asia :—			
Aden...	110,756	163,308	157,135
Arabia	378,750	445,577	438,605
Ceylon	504,934	604,148	466,642
China, Hong Kong	1,067,684	726,019	1,005,464
„ Treaty Ports	630,442	467,881	461,624
Japan	558,965	474,121	549,545
Persia	475,798	452,035	432,257
Straits Settlements	1,544,634	1,587,924	1,549,588
Turkey	363,110	206,936	123,985
Other countries	345,184	360,802	597,765
Total	5,980,257	5,488,751	5,782,610
Australia	518,567	461,882	321,267
Grand Total	50,851,923	54,313,878	52,514,742

VI. *Analysis of Exports of Indian Merchandise on Private Account, shewing separately the countries of destination.*

Countries.	1900-01.	1901-02.	1902-03.
	£	£	£
Europe :—			
United Kingdom	20,900,167	20,247,023	21,167,136
Austria-Hungary	1,804,958	1,584,055	2,132,500
Belgium	2,365,295	3,145,295	3,301,660
France	3,988,072	5,919,040	6,091,034
Germany	6,137,495	6,775,122	6,776,719
Holland	304,967	550,388	539,302
Italy	2,041,979	1,945,757	2,264,204
Malta	3,074	4,176	1,992
Russia	162,238	140,161	256,866
Spain	296,384	278,017	391,196
Other Countries	137,344	93,774	139,159
Total	38,141,973	40,682,808	43,061,768
Africa and adjacent Islands :—			
Egypt	2,998,627	3,556,759	5,132,132
Africa, East (British)	419,393	355,664	333,062
„ „ (Portuguese)	162,159	88,227	167,322
„ „ (other Ports)	183,693	124,804	165,443
Mauritius	834,741	857,377	717,130
Réunion	80,689	70,292	120,305
Other Countries	445,941	634,719	798,254
Total	5,125,243	5,687,842	7,433,648
America :—			
Canada	69,870	42,177	170,806
South America	876,166	1,042,098	1,079,523
United States	4,811,343	5,579,268	5,669,045
West Indies	62,350	203,234	221,555
Other Countries	42,526	54,851	53,059
Total	5,862,255	6,921,628	7,193,988

VI. *Analysis of Exports of Indian Merchandise on Private Account, shewing separately the countries of destination—cont.*

Countries.	1900–01.	1901–02.	1902–03.
	£	£	£
Asia :—			
Aden...	437,408	604,190	610,365
Arabia	452,971	633,708	741,622
Ceylon	3,192,525	2,985,332	2,937,664
China, Hongkong	5,281,956	6,560,567	6,206,472
„ Treaty Ports	2,546,589	5,143,435	4,366,756
Japan	1,389,704	4,634,952	3,889,792
Persia	344,132	366,373	422,390
Straits Settlements	4,572,071	4,225,976	5,025,303
Turkey	373,243	414,638	465,802
Other Countries	446,288	607,794	612,109
Total	19,036,887	26,176,965	25,278,275
Australia	1,273,974	1,334,132	959,446
Grand Total	69,440,332	80,803,375	83,927,125

VII.—*Movements of Treasure.*

	1900–1901.	1901–1902.	1902–1903.
	£	£	£
Gold :—			
Net Imports (+) or Exports (−) on Private Account.	+5,043,665	+3,287,428	+6,312,842
Net Imports (+) or Exports (−) on Government Account.	*−4,482,242*	*−1,995,667*	*− 469,798*
Total Net Imports or Exports	+ 561,423	+1,291,761	+5,843,044
Silver :—			
Net Imports (+) or Exports (−) on Private Account.	+ 949,104	+4,169,781	+4,6. 0,969
Net Imports (+) or Exports (−) on Government Account.	+5,389,051	+ 625,442	*− 53,559*
Total Net Imports or Exports	+6,338,155	+4,795,223	+4,597,410

EAST INDIA: ACCOUNTS AND ESTIMATES, 1904-1905.

EXPLANATORY MEMORANDUM

BY THE

SECRETARY OF STATE FOR INDIA.

Presented to both Houses of Parliament by Command of His Majesty.

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Memorandum by the Secretary of State for India, relating to the Accounts of the Government of India for 1902–1903, and the Estimates for 1903–1904 and 1904–1905.

Form of Accounts and Estimates.

The Accounts and Estimates of the Government of India are now prepared so as to shew the transactions in India in rupees; the totals of these transactions are then shewn in pounds at the rate of £1 to 15 rupees; the sterling transactions in England are next stated; and the last two sets of figures are added together, so as to shew in pounds the combined transactions in India and in England. The comparatively small addition or deduction that has to be made on account of the facts that the remittances from India to England are not effected at exactly 16 pence to the rupee, and that the Government is under obligations to carry out certain transactions at specified rates, is shewn in a single line, under the head of Exchange.

Gross Revenue and Expenditure.

The Gross Revenue and Expenditure of the Government of India for the three years are as follows:—

Gross Revenue and Expenditure.	Accounts, 1902-1903.	Revised Estimate, 1903-1904.	Budget, 1904-1905.
	£	£	£
Revenue	77,434,915	83,067,800	80,148,600
Expenditure	74,365,366	80,356,600	79,229,900
Surplus	3,069,549	2,711,200	918,700

Net Revenue and Expenditure.

Apart from other considerations, the Revenue and Expenditure of the country are continually increasing through the opening of additional railways and canals, and in certain years the figures of Gross Revenue and Expenditure are swollen by entries on both sides of the accounts relating to coinage operations. A clearer view of the financial condition than that afforded by the figures of Gross Revenue and Expenditure may therefore be obtained from a reference to the statement of Net Income and Expenditure annually laid before the House of Commons (No. 168 of 1904), or to the tables on page 12 of the present Memorandum; the Net Revenue being the amount received from Land Revenue, Opium, and Taxation (after deducting the refunds and assignments chargeable thereon, and, in the case of Opium, the cost of cultivation and manufacture), and also the net receipts under the heads of Mint, Exchange, and Miscellaneous; while the Net Expenditure

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represents the charges of the various departments, after deducting the receipts of those departments. The following table gives a comparison of the figures just quoted when adjusted in the manner indicated :—

Net Revenue and Expenditure.	Accounts, 1902–1903.	Revised Estimate, 1903–1904.	Budget, 1904–1905.
	£	£	£
Net Revenue	44,688,257	46,506,100	45,844,400
Net Expenditure	41,618,708	43,794,900	44,925,700
Surplus...	3,069,549	2,711,200	918,700

1902–1903.

The following are the net figures for the year 1902–1903, as shown in the Budget, Revised Estimate, and Accounts :—

Net Revenue and Expenditure.	Budget, March 1902.	Revised Estimate, as published in March 1903.	Accounts.
	£	£	£
Net Revenue	42,692,800	44,406,100	44,688,257
Net Expenditure	41,855,100	41,667,600	41,618,708
Surplus...	837,700	2,738,500	3,069,549

Comparison of Accounts with Budget Estimate.

As compared with the Budget Estimate, the Accounts show an increase of the net Revenue by £1,995,457, and a reduction of the net Expenditure by £236,392, or a total improvement of £2,231,849.

The increase of £1,995,457 in the net Revenue was chiefly due to improvements of £659,053 under Land Revenue, £394,869 under Opium, £312,448 under Customs, £311,581 under Excise, while there was a net increase of £317,506 under other heads.

The net reduction of £236,392 in the Expenditure is the result of increases and decreases under several heads, the most important variations occurring under Army and Provincial Adjustments. The Army Charges were £554,098 below the Budget figures, the decrease being largely due to the absence of troops in South Africa, China, and Somaliland. On the other hand a considerable proportion of the increased receipts under certain heads of revenue, and of the saving under certain heads of expenditure, accrued to the Provincial Governments, to which also special grants were made during the year. Consequently, the reduction of their balances was less than had been anticipated by £1,295,675, and the adjustment is less favourable to the Government of India by this amount.

Comparison of Accounts with Revised Estimate.

Compared with the Revised Estimate, the net Revenue was better by £282,157, or about three-fifths of 1 per cent., and the net Expenditure less by £48,892, or about one-tenth of 1 per cent. Of the increase in net Revenue, £148,233 occurred under Salt and £93,948 under Customs.

1903-1904.

The following table gives a comparison of the Revised Estimate for 1903–1904 with the Budget Estimate published in March 1903 :—

Net Revenue and Expenditure.	Budget.	Revised Estimate.	Difference.
	£	£	£
Net Revenue	43,164,500	46,506,100	+3,341,600
Net Expenditure	42,215,800	43,794,900	+1,579,100
Surplus	948,700	2,711,200	1,762,500 Better

Comparison of Revised Estimate with Budget.

There is an improvement of £3,341,600 in the net Revenue, and an increase of £1,579,100 in the net Expenditure, so that the position is better by £1,762,500.

The improvement in the net Revenue occurred under the following heads :— Opium £880,400, Railways £813,700, Excise £417,300, Customs £289,300, Salt £201,900, Irrigation £199,400, Land Revenue £160,800, other heads (net) £378,800.

The increase in the net Expenditure shewn above is chiefly due to the Provincial Adjustments. In the Budget Estimate it was anticipated that £1,383,500 of the Expenditure of the year would be defrayed by reduction of Provincial balances, but the Revised Estimate shews an increase in the Provincial balances of £1,201,200, so that the adjustment is less favourable to the Government of India by £2,584,700 than was shewn in the Budget. This result is due partly to the fact that certain increases of revenue and savings in expenditure accrued automatically to the Provincial Governments, and partly to large special grants which were made to the Provincial Governments by the Government of India in 1903–1904 beyond those which were provided for in the Budget. £1,000,000 was so granted to Bengal, Madras, the United Provinces, and Assam in connection with the introduction of new settlements, £726,800 was distributed to eight Provinces for expenditure in 1904–1905 on special public objects, and £241,700 was granted to Bombay, the Punjab, and the Central Provinces to enable them to close the year with the prescribed minimum balances. As against the increased charge under Provincial Adjustments, the Revised Estimate shews decreases as compared with the Budget under the following heads :—Collection of Revenue £255,100, Education £137,500, Law Courts £122,800, Police £118,000, Medical £108,100, other heads (net) £264,100.

1904–1905.

The following table gives a comparison of the Budget for 1904–1905 with the Revised Estimate for the preceding year :—

	Revised Estimate, 1903–1904.	Budget, 1904–1905.	Difference.
	£	£	£
Net Revenue	46,506,100	45,844,400	— *661,700*
Net Expenditure	43,794,700	44,925,700	+1,130,800
Surplus	2,711,200	918,700	1,792,500 Worse

The decrease of £661,700 in the Net Revenue is due to the following causes :—

	£	£
Decreases are anticipated in—		
Opium (prices in 1903–1904 having been abnormally high)	572,000	
Railways (owing partly to provision for special expenditure on renewals, &c.) ...	500,400	
Mint, Post Office, Telegraph, Salt, Forest, Irrigation, and Tributes	344,500	
Total decreases	———	1,416,900
Increases are anticipated in—		
Land Revenue (chiefly in Burma and Madras)	323,700	
Miscellaneous	134,300	
Excise	126,100	
Stamps, Assessed Taxes, Provincial Rates, Customs, Exchange, and Registration ...	171,100	
Total increases	———	755,200
Net decrease of Revenue		661,700

The increase of £1,130,800 in Net Expenditure is expected to occur as follows:—

Increases are anticipated in—	£	£
Army (owing to special expenditure of £700,000 on Artillery and Rifles of new pattern, an increase of £493,900 on account of additional pay to be issued to British soldiers under Royal Warrant of 27th March, 1902, and the non-recurrence of the saving of £239,200 which accrued in 1903–1904 owing to the absence of troops in China and Somaliland)	1,430,900	
Civil Works (including expenditure by Provincial Governments of special grants of £547,000, which may be re-appropriated to other purposes)	584,100	
Collection of Revenue (mainly in Land Revenue charges, which include the cost of District Administration)	422,700	
Political (mainly owing to provision of full amount of the Amir's subsidy and arrears)	283,800	
Military Works and Special Defence Works (in consequence of larger expenditure on the programme begun in 1903–1904 for the improvement of Coast Defences) ...	242,100	
Education	174,600	
Other heads (net)	510,600	
Total increases	———	3,648,800
On the other hand the adjustments with Provincial Governments are expected to be more favourable to the Government of India. In 1903–1904 those Governments added £1,201,200 to their balances, this amount being charged against the revenue of the year; in 1904–1905 they are expected to contribute £1,316,800 from their balances towards the expenditure of the year. The position of the Government of India is thus improved, in respect of these transactions, by	———	2,518,000
Net increase of Expenditure		1,130,800

Debt.

In 1902–1903 a Loan of one crore and-a-half of rupees (£1,000,000) bearing interest at 3½ per cent. was raised in India at an average price of about 97·6 per cent. In England £1,500,000 India 3 per cent. Stock was issued at an average price of £101 10*s.* 2*d.* per cent., mainly for the discharge of £1,368,800 Great Indian Peninsula Railway Debentures. £4,000,000 sterling bills were outstanding at the beginning of the year, falling due in June, September and December, 1902, and March, 1903; £3,500,000 bills were issued in replacement at average rates varying from £2 18*s.* 4*d.* to £3 11*s.* 1*d.* per cent., and £500,000 were discharged without replacement.

In 1903–1904 a loan of 2 crores of rupees (£1,333,300) bearing interest at 3½ per cent. was issued at an average price of 98·1 per cent. In England £1,500,000 India 3 per cent Stock was issued at an average price of £98 19*s.* 0*d.* per cent., the proceeds being used for the discharge of £600,000 debentures of the Great Indian Peninsula Railway and towards the discharge of India sterling bills falling due in the year. Of the £3,500,000 sterling bills outstanding on 1st April, 1903, £1,500,000 were discharged without replacement. Bills in replacement of the remaining £2,000,000 were issued at average rates of £3 7*s.* 5*d.* (June, 1903), £3 11*s.* 6*d.* (September), £3 12*s.* 11*d.* (December), £3 5*s.* 2*d.* (March, 1904).

In the Budget of the current year (1904–1905) it was proposed to issue in India a 3½ per cent. loan of three crores of rupees (£2,000,000); and in England £2,500,000 3 per cent. India Stock has been issued by tender in order to provide for the discharge of £1,002,100 debentures of the Great Indian Peninsula Railway Company and for advances by the Secretary of State in Council to Railway Companies. The minimum was fixed at £94 10*s.* per cent. and the average rate obtained was £95 18*s.* 6*d.* per cent. It is also proposed to issue India bills for £2,000,000 in replacement of those falling due in the year.

Railways.

On the 31st of March, 1904, the length of Railways in India open for traffic was 27,143 miles, of which 838 were opened in 1903–1904. The mileage under construction or sanctioned for construction was 3,044 miles, of which 1,282 were sanctioned in 1903–1904.

The expenditure on the Construction of Railways shewn in the Accounts for 1902–1903 and Estimates for 1903–1904 and 1904–1905 is as follows :—

——	Accounts, 1902–1903.	Revised Estimate, 1903–1904.	Budget, 1904–1905.
	£	£	£
Expenditure not charged to Revenue :—			
State railways (from money provided by State).	3,260,600	4,667,400	4,660,300
State railways (from money raised through Companies).	1,303,400	—	1,650,000
Old guaranteed Companies	401,300	178,500	278,400
Other guaranteed or assisted Companies	1,733,900	1,694,300	1,408,000
Branch lines on firm guarantee	5,800	6,900	3,300
Expenditure charged to Revenue	56,300	153,800	168,200
Total outlay by Government or with Government assistance.	6,761,300	6,700,900	8,168,200
Branch lines not on firm guarantee ...	53,000	17,200	10,900
Railways outside Government accounts ...	668,100	623,900	593,100
Total	7,482,400	7,342,000	8,772,200

The net traffic receipts in 1902–1903 on the capital cost of open lines in which the Government is directly interested was 4·65 per cent. Details relating to the several lines will be found on page 30 below.

The Railway Revenue Account shewed in 1902–1903 a net receipt of £228,949, and in 1903–1904 a net receipt of £854,600. In the Budget for 1904–1905 the normal increase in traffic receipts is allowed for, but provision is made for special expenditure on renewals of permanent way and rolling stock; and the net receipt is taken at the reduced amount of £354,200. These results are arrived at after charging in the Account not only all interest charges but also the following payments in redemption of capital which are included in the annuities issued for the purchase of railways, viz :—

	£
In 1902–1903	610,200
In 1903–1904	631,000
In 1904–1905	652,500

Irrigation Works.

The outlay on the construction of Major Irrigation Works incurred during the last two years and estimated to be incurred in the present year is as follows:—1902–1903, £674,800; 1903–1904 (Revised Estimate), £711,400; 1904–1905 (Budget), £1,085,200. Of the expenditure on minor works (amounting to £851,500 in 1902–1903, £898,000 in 1903–1904 (Revised Estimate), and £863,200 in 1904–1905 (Budget), a considerable portion is devoted to the construction of new works; this expenditure is charged against the revenue of the year in which it is incurred.

The following table shews the total capital expenditure on Major Irrigation Works (excluding indirect charges) and the net receipts:—

—	Capital Expenditure to End of the Year (excluding indirect charges).	Net Receipts during the Year (being gross receipts, *less* working expenses and interest charges.)
	£	£
1902–1903	24,639,600	906,946
1903–1904 (Revised Estimate) ...	25,351,000	1,004,600
1904–1905 (Budget)	26,436,200	954,800

Liabilities and Assets.

On the 31st of March, 1904, the debt of India amounted to £212,995,000 (viz.:—rupee debt, converted into sterling at 1*s.* 4*d.* the rupee, £79,949,000, and sterling debt, £133,046,000). There were also other obligations of the Government of India, including Savings Bank balances, Judicial and Departmental deposits, balances of Service Funds, &c., amounting to £16,073,000.

Up to the same date the Government of India had devoted £82,778,000 to the construction of Railways, and £25,542,000 to the construction of Irrigation Works. It had purchased (in some cases by cash payments and in other cases by annuities*) six railways, on which, at the time of purchase, £85,219,000 had been spent. It had lent £12,451,300 (net) to Native States, Corporations, Agriculturists, &c., and had advanced £11,407,600 to Railway Companies. Other assets were the Gold Reserve Fund, on account of which £6,376,500 has been invested, the cash balances in India, £11,500,000, and the cash balances in England, £7,003,400.

Exchange and Remittance.

The sale by the Secretary of State in Council of bills and telegraphic transfers on India during the last three years has been as follows:—

	£			
1901–1902 ...	18,379,611,	at an average rate of	1*s.* 3·988*d.*	per rupee.
1902–1903 ...	18,499,946	„ „	1*s.* 4·0018*d.*	„
1903–1904 ...	23,859,303	„ „	1*s.* 4·049*d.*	„

Gold Reserve Fund.

In accordance with a recommendation made by the Indian Currency Committee, it was decided that, with effect from the 1st April, 1900, the net profit from the coinage of rupees should not be treated as revenue, but should be held as a special reserve, and sent to England for investment in sterling securities. This profit amounted to £3,031,294 in 1900–1901, £415,100 in 1901–1902, £264,028 in 1902–1903, and £2,465,700 in 1903–1904. Practically the whole amount has been remitted to England and applied to the purchase of British Government securities. Including the investment of the dividends as they

* The annuities now outstanding are East Indian Railway Annuity, £1,145,288 (of which £294,750 is deferred under the existing contract for working the line), running to 14th February, 1953; Eastern Bengal Railway Annuity, £116,850, running to 31st July, 1957; Scinde Punjab and Delhi Railway Annuity, £371,361, running to 31st December, 1958; and Great Indian Peninsula Railway Annuity, £1 268,516, to 17th August, 1948.

accrued, the amount invested on account of the Gold Reserve Fund up to 31st March, 1904, was £6,376,500, and the securities purchased were as follows:—£6,043,758 2½ per cent. Consolidated Stock, £322,896 National War Loan 2¾ per cent. Stock, £330,223 Local Loans 3 per cent. Stock, £209,594 Transvaal Government 3 per cent. Guaranteed Stock.

Home Charges.

The net Expenditure in England chargeable to Revenue was £17,667,016 in 1902–1903, £17,487,800 in the Revised Estimate for 1903-1904, and £18,435,900 in the Budget for 1904–1905. The last-named amount is thus divided:—

	£
Interest and Management of Debt, and payment of Interest and Annuities on account of Railways	9,675,300
Payments in connection with Civil Departments in India ...	325,200
India Office, including Auditor's and Store Departments ...	192,600
Army Effective Charges	661,600
Stores of all kinds charged against revenue	2,565,300
Furlough Allowances	659,000
Non-Effective Charges	4,356,900
Total	18,435,900

Besides this, the outlay on stores, &c., for the construction of State Railways and Irrigation Works was £1,536,023 in 1902–1903, and is estimated at £1,293,300 in 1903–1904, and £1,715,800 in 1904–1905.

Seaborne Trade.

The following figures show the Exports from, and Imports into, India during the last three years:—

	1901–1902.	1902–1903.	1903–1904.
	£	£	£
Exports of Merchandise	83,263,527	86,264,400	102,476,631
Imports „	59,187,033	57,212,776	61,718,175
Net Exports of Merchandise	24,076,494	29,051,624	40,758,456
Net Imports of Gold	1,291,761	5,843,044	6,621,107
Net Imports of Silver	4,795,223	4,637,768	9,283,542
Net Imports of Treasure	6,086,984	10,480,812	15,904,649
Balance: Net Exports	17,989,510	18,570,812	24,853,807

The transactions in treasure on account of the Government were as follows:—1901–1902, net export of gold £1,995,667, net import of silver £625,442; 1902–1903, net export of gold £469,798, net export of silver £13,201; 1903–1904, net export of gold £4,264,559, net import of silver £4,726,190.

Burden of Taxation.

	Accounts 1902–1903.	Revised Estimate, 1903–1904.	Budget, 1904–1905.
	£	£	£
Salt	5,931,900	4,890,700	4,872,700
Stamps	3,434,400	3,547,600	3,598,100
Excise	4,384,200	4,875,000	5,001,100
Provincial Rates	2,741,500	2,793,300	2,828,900
Customs	3,829,800	3,805,000	3,819,700
Assessed Taxes	1,402,700	1,206,800	1,256,500
Registration	312,700	328,000	333,100
Total	22,037,200	21,446,400	21,710,100
According to the census taken in March, 1901, the population of British India was 231,085,000. On this basis, and allowing for the increase of population at the rate of two-fifths of one per cent. per annum, the payment per head, on the assumption that the whole of the taxation, including that on Salt, Excise, and Customs, is paid by the inhabitants of British India, is ...	*s. d.* 1 10¾	*s. d.* 1 10	*s. d.* 1 10¼
If the payment of Land Revenue be added, the average becomes...	3 5¼	3 5	3 5½

India Office,
July 8, 1904.

ST. JOHN BRODRICK.

Appendix I.

Net Revenue and Expenditure.

APPENDIX I.

Tables of Net Revenue and Expenditure.

Net Revenue.

Net Revenue.	Accounts, 1902–1903.		Budget, 1903–1904.		Revised Estimate, 1903–1904.		Budget, 1904–1905.	
	£	£	£	£	£	£	£	£
I. Land Revenue, &c.:								
1. Land Revenue	17,689,653		18,352,700		18,513,500		18,837,200	
2. Forest	1,295,029		1,316,000		1,435,000		1,425,400	
3. Tributes from Native States.	581,995		395,000		413,700		409,000	
		19,566,677		20,063,700		20,362,200		20,671,600
II. Opium		2,846,869		2,639,300		3,519,700		2,947,700
III. Taxation:								
1. Salt	5,931,933		4,688,800		4,890,700		4,872,700	
2. Stamps	3,434,401		3,508,600		3,547,600		3,598,100	
3. Excise	4,384,181		4,457,700		4,875,000		5,001,100	
4. Provincial Rates... ...	2,741,449		2,780,800		2,793,300		2,828,900	
5. Customs	3,829,848		3,515,700		3,805,000		3,819,700	
6. Assessed Taxes	1,402,672		1,179,300		1,206,800		1,256,500	
7. Registration	312,659		320,800		328,000		333,100	
		22,037,143		20,451,700		21,446,400		21,710,100
IV. Commercial Undertakings:								
1. Post Office	83,157		7,000		65,900		*— 35,600*	
2. Telegraph	*— 32,763*		*—129,900*		*— 90,900*		*—163,500*	
3. Railway Revenue Account	228,949		40,900		854,600		354,200	
4. Irrigation	193,746		62,700		262,100		255,100	
		473,089		*— 19,300*		1,091,700		410,200
V. Miscellaneous Receipts:								
1. Mint	*— 12,776*		*— 37,500*		95,100		*— 36,000*	
2. Miscellaneous	*—254,316*		50,800		*— 63,400*		70,900	
		— 267,092		13,300		31,700		34,900
VI. Exchange		31,571		15,800		54,400		69,900
Total Net Revenue ...		44,688,257		43,164,500		46,506,100		45,844,400

Net Expenditure.

Net Expenditure.	Accounts, 1902–1903.		Budget, 1903–1904.		Revised Estimate, 1903 1904.		Budget, 1904–1905.	
	£	£	£	£	£	£	£	£
I. Debt Services		965,018		976,000		881,600		807,300
II. Military Services:								
1. Army	16,221,402		16,652,300		16,784,100		18,215,000	
2. Military and Special Defence Works ...	1,058,368		1,129,700		1,032,900		1,275,000	
		17,279,770		17,782,000		17,817,000		19,490,000
III. Collection of Revenue ...		4,704,858		5,216,400		4,961,300		5,384,000
IV. Civil Services:								
1. Civil Departments ...	10,366,855		10,923,400		10,364,600		11,325,500	
2. Miscellaneous Civil Charges	3,640,258		3,666,600		3,619,600		3,664,200	
3. Civil Works	3,697,139		3,983,300		4,039,800		4,623,900	
4. Construction of Railways charged to Provincial or Local Revenues.	54,659		51,600		26,600		21,200	
		17,758,911		18,624,900		18,050,600		19,634,800
V. Famine Relief and Insurance		982,576		1,000,000		883,200		926,400
VI. Provincial Balances:								
1. Increased by portion of Allotments not spent in the year.		—		—		1,201,200		—
2. Reduced by Expenditure from Balances.		*— 72,425*		*-1,383,500*		—		*—1,316,800*
Total Net Expenditure charged against Revenue.		41,618,708		42,215,800		43,794,900		44,925,700
Surplus		3,069,549		948,700		2,711,200		918,700

APPENDIX II.

Notes on the main heads of Net Revenue and Expenditure.

NET REVENUE.

Land Revenue.

	£
Accounts, 1902–1903	17,689,653
Budget, 1903–1904	18,352,700
Revised Estimate, 1903–1904	18,513,500
Budget, 1904–1905	18,837,200

In 1902-1903 the collections were low because the country had not yet recovered from the effects of the famine of 1899-1900. The improvement in the later years occurs in all Provinces, and is due to the re-establishment of normal conditions. The largest increase occurs in Bombay, the province which suffered most severely from the famine, and the increase in the Punjab is also considerable. In Burma the receipts show the effect of the extension of cultivation and the revision of assessments.

Forest.

	£
Accounts, 1902–1903...	1,295,029
Budget, 1903–1904	1,316,000
Revised Estimate, 1903–1904	1,435,000
Budget, 1904-1905	1,425,400

The increase in the Revised Estimate for 1903–1904 as compared with the Accounts for the previous year occurs mainly in Burma, from which province more than one-third of the total revenue is derived. The gross receipts in Burma are as follows :—1902–1903, £449,270 ; 1903-1904 (Revised Estimate), £543,300 ; 1904-1905 (Budget), £520,000.

Tributes.

	Accounts, 1902–1903.	Budget, 1903–1904.	Revised Estimate, 1903–1904.	Budget, 1904–1905.
	£	£	£	£
Receipts	613,715	601,100	611,200	626,000
Assignments and Compensations.	31,720	206,100	197,500	217,000
Net Revenue	581,995	395,000	413,700	409,000

In the "assignments and compensations" in the Budget for 1903–1904 provision was made for the first time for the annual rent that is to be paid to the Nizam in respect of Berar (*see* Parliamentary Paper Cd. 1321 of 1902).

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

Opium.

	Accounts, 1902–1903.	Budget, 1903–1904.	Revised Estimate, 1903–1904.	Budget, 1904–1905.
	£	£	£	£
Receipts	4,498,438	4,381,800	5,736,700	4,955,100
Charges	1,651,569	1,742,500	2,217,000	2,007,400
Net Receipts	2,846,869	2,639,300	3,519,700	2,947,700

In 1903–1904 the prices realised at the Calcutta opium sales were exceptionally high, and the exports of Malwa opium were also large. The crop was a very heavy one, and, in consequence, the payments to cultivators were also unusually high.

The estimate for 1904–1905 is made on the assumption that there will be some reduction in the demand from China, and that the crop will not be quite so heavy. Statistics are appended.

	Bengal.		Bombay.		Chests of Bengal Opium produced.	Payments to Cultivators, including purchase of Opium.
	Chests sold.	Average price.	Chests of Malwa Opium passed for Export.	Rate of Duty per Chest.		
		Rs.		Rs.		£
Accounts, 1902–1903 ...	48,000	1,144	19,831	500	44,724	1,485,623
Budget, 1903–1904 ...	48,000	1,100	20,300	500	—	1,566,700
Revised Estimate, 1903–1904.	48,000	1,462	26,200	500	64,739	2,046,800
Budget, 1904–1905 ...	48,000	1,250	22,920	500	—	1,827,500

Salt.

	£
Accounts, 1902–1903...	5,931,933
Budget, 1903–1904	4,688,800
Revised Estimate, 1903–1904	4,890,700
Budget, 1904–1905	4,872,700

In March, 1903, the duty was reduced in the greater part of India by 20 per cent. (from 2½ to 2 rupees a maund).

Stamps.

	£
Accounts, 1902–1903...	3,434,401
Budget, 1903–1904	3,508,600
Revised Estimate, 1903–1904	3,547,600
Budget, 1904–1905	3,598,100

About two-thirds of the revenue is derived from court fee stamps and about one-third from commercial and other stamps. There is a steady increase under both heads.

Excise.

	£
Accounts, 1902–1903...	4,384,181
Budget, 1903–1904	4,457,700
Revised Estimate, 1903–1904	4,875,000
Budget, 1904–1905	5,001,100

All provinces share in the improvement, which is attributed to better administration and more prosperous conditions. In Burma new preventive arrangements have had a marked effect on the receipts.

Provincial Rates.

	£
Accounts, 1902–1903...	2,741,449
Budget, 1903–1904	2,780,800
Revised Estimate, 1903–1904	2,793,300
Budget, 1904–1905	2,828,900

The receipts under this head commonly follow the fluctuations in Land Revenue. The improvement has been greatest in Bombay and the Punjab.

Customs.

	£
Accounts, 1902–1903...	3,829,848
Budget, 1903–1904	3,515,700
Revised Estimate, 1903–1904	3,805,000
Budget, 1904–1905	3,819,700

The Budget Estimate for 1903–1904 allowed for a considerable reduction in the receipts from the export duty on rice, the import duty on silver, and the countervailing duties on sugar. The reduction in the countervailing duties on sugar has been even greater than was anticipated, and the receipts from this source have practically come to an end; but the receipts from rice are within £44,000 of the very high figures of 1902–1903, and those from silver are slightly larger. The receipts from petroleum show a decrease, due to the displacement of Russian and American oil by oil from Burma and Assam. The yield of the excise duty on cotton, which is shown among the customs receipts, continues to increase, having been £134,700 in 1903–1904, as against £124,400 in 1902–1903, £117,800 in 1901–1902, and £80,800 in 1900–1901. In 1904–1905 allowance is made for a decrease in the receipts from the export duty on rice and the import duty on silver, but an increase is anticipated in the receipts from the import duty on manufactured articles and liquors, and the excise duty on cotton.

Assessed Taxes.

	£
Accounts, 1902–1903...	1,402,672
Budget, 1903–1904	1,179,300
Revised Estimate, 1903–1904	1,206,800
Budget, 1904–1905	1,256,500

Up to the 31st of March, 1903, income tax was levied on non-agricultural incomes amounting to Rs. 500 a year or more at the rate (approximately) of 2 per cent. on incomes from Rs. 500 to Rs. 2,000, and 2½ per cent. on incomes of Rs. 2,000 or more. All private incomes below Rs. 1,000 are now exempt. The cost of this measure of exemption was estimated at £240,000 a year, but the actual loss has been somewhat less.

Registration.

	£
Accounts, 1902–1903	312,659
Budget, 1903–1904	320,800
Revised Estimate, 1903–1904	328,000
Budget, 1904–1905	333,100

The receipts are principally derived from fees for registering documents.

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

Post Office.

	Accounts, 1902–1903.	Budget, 1903–1904.	Revised Estimate, 1903–1904.	Budget, 1904–1905.
	£	£	£	£
Receipts	1,429,935	1,441,400	1,480,800	1,495,300
Charges	1,346,778	1,434,400	1,414,900	1,530,900
Net revenue	83,157	7,000	65,900	— *35,600*

The figures given above show the revenue and expenditure brought to account under the head Post Office in the accounts and estimates of the Government of India. To arrive at the true profit or loss on the working of the Postal Department, various adjustments are required, which are exhibited in the following table :—

	Accounts, 1902–1903.	Budget, 1903–1904.	Revised Estimate, 1903–1904.	Budget, 1904–1905.
	£	£	£	£
Net revenue, as shown in the Accounts and Estimates.	83,157	7,000	65,900	—*35,600*
Add—				
Authorised Adjustments...	18,400	38,400	38,400	38,400
Cost of Savings Bank: out of pocket expenses.	25,300	26,000	26,000	26,000
Allowance for undercharge in official rates of postage.	308,000	315,000	315,000	318,000
Total profit of the Postal Service ...	434,857	386,400	445,300	346,800

The estimated charges in 1904-1905 include an adjusting payment of £48,000 to the Treasury on account of the period 1898–1904, during which advances were made at a rate lower than that now ascertained to be due from India.

Telegraph.

	Accounts, 1902–1903.	Budget, 1903-1904.	Revised Estimate, 1903–1904.	Budget, 1904–1905.
	£	£	£	£
Receipts	876,979	884,400	854,200	834,400
Charges	909,742	1,014,300	945,100	997,900
Net charge	*32,763*	*129,900*	*90,900*	*163,500*

The decrease in the receipts, which include those of the Indo-European Telegraph Department, is chiefly due to the diversion of foreign traffic to direct cable routes viâ South Africa and the Pacific, and to the reduction of the tariff between India and Europe from 4*s.* to 2*s.* 6*d.* a word, which came into effect on 1st March, 1902.

The increase in the expenditure is due to the growth of the Department. The charges include the following amounts for capital outlay :—1902–1903, £262,179 ; 1903–1904 (Revised Estimate), £280,700 ; 1904–1905 (Budget), £283,300.

Railways.

——	Accounts, 1902-1903.	Budget, 1903-1904.	Revised Estimate, 1903-1904.	Budget, 1904-1905.
State Railways :—	£	£	£	£
Gross Receipts	19,137,656	19,371,600	20,447,600	20,580,900
Working Expenses ...	9,827,211	9,903,200	10,255,800	10,563,900
Interest on Capital spent or advanced by the State.	4,689,121	4,834,800	4,860,800	5,080,800
Interest on Capital deposited by Companies.	1,170,489	1,259,400	1,222,400	1,283,000
Annuities in purchase of railways.	2,999,218	3,003,900	3,004,600	3,008,500
Total charges	18,686,039	19,001,300	19,343,600	19,936,200
Net receipts	451,617	370,300	1,104,000	644,700
Guaranteed Railways :—				
Net charge to the State...	171,594	233,500	202,200	202,100
Miscellaneous charges(net)	51,074	95,900	47,200	88,400
Net receipts from all Railways.	228,949	40,900	854,600	354,200

Before 1899–1900 the Railway Revenue Account always shewed a net charge. From that year onwards it has shewn a net receipt. The figures from 1895–1896 are as follows :—

		£
1895–1896	Net charge	84,820
1896–1897	„	1,152,467
1897–1898	„	709,313
1898–1899	„	620,165
1899–1900	Net receipt	76,756
1900–1901	„	325,124
1901–1902	„	846,616
1902–1903	„	228,949
1903–1904 (Revised Estimate.)	„	854,600
1904–1905 (Budget Estimate.)	„	354,200

The profit derived by the State from the railways arises from the State lines, under which head are included not only the lines worked by the State (of which the most important are the North-Western, Eastern Bengal, and Oudh and Rohilkhand systems), but also lines which, while classified as State railways, are worked by companies, and have in most cases been constructed by companies. Among the most important of the lines included in the latter class are the East Indian, Great Indian Peninsula, Bengal-Nagpur, Indian Midland, Rajputana-Malwa, Assam-Bengal, Southern Mahratta, South Indian, and Burma Railways. For some years the gross receipts of the State lines have been growing rapidly. Excluding, for the purpose of comparison,

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

the receipts of the Great Indian Peninsula Railway, which was not acquired by the State till 1900–1901, the receipts for 10 years are as follows:— 1895–1896, £12,372,426; 1896–1897, £11,759,711; 1897–1898, £12,696,340; 1898–1899, £13,075,980; 1899–1900, £14,653,223; 1900–1901, £15,170,314; 1901–1902, £16,432,994; 1902–1903, £16,231,912; 1903–1904 (Revised Estimate), £17,414,300; 1904–1905 (Budget), £17,480,900. In the Budget for 1903–1904 it was assumed that the gross receipts of the year would shew a moderate improvement as compared with the previous year; the revised estimate (including the Great Indian Peninsula Railway) is £1,076,000 better than the Budget Estimate. This improvement is the net result of considerable increases and decreases on several lines. The most important variation is an increase of £713,000 on the earnings of the North-Western State Railway, due to general development of traffic on the main line and on the lines in the Chenab and Jhelum colonies, in which the wheat traffic has been the chief contributing factor. In preparing the estimates for 1904–1905 it was necessary to allow for the probability that the earnings of this line may fall below the exceptional figures attained in 1903–1904.

The annuities shewn among the charges of State railways were created for the purchase by the State of the East Indian, Eastern Bengal, Scinde Punjab and Delhi, and Great Indian Peninsula railways. The annual payments include the following amounts in redemption of capital, viz.: 1902–1903, £610,200; 1903–1904, £631,000; 1904–1905, £652,500.

The transactions included under the heading "Guaranteed Railways" are, with slight exceptions, those of the Madras Railway Company and of the Bombay Baroda and Central India Railway Company. In the case of both railways the net traffic receipts fall short of the charges for the guaranteed interest and for the share of "surplus profits" payable by the Government of India to the Companies under the Contracts. The amount of the deficiency is as follows: Madras Railway Company, 1902–1903, £161,523; 1903–1904 (Revised Estimate), £172,200; 1904–1905 (Budget), £182,300; Bombay Baroda and Central India Railway Company, 1902–1903, £16,412; 1903–1904 (Revised Estimate), £28,600; 1904–1905 (Budget), £6,900.

The miscellaneous charges include expenditure in connection with minor companies, surveys, &c.

Irrigation.

	Accounts, 1902–1903.	Budget, 1903–1904.	Revised Estimate, 1903–1904.	Budget, 1904–1905.
MAJOR WORKS:	£	£	£	£
Receipts	2,630,661	2,625,500	2,801,200	2,799,500
Working Expenses	754,610	757,900	803,600	821,200
Interest on Debt	969,105	994,400	993,000	1,623,500
Net Receipts	906,946	873,200	1,004,600	954,800
MINOR WORKS:				
Receipts	138,329	169,800	155,500	163,500
Expenditure	851,529	980,300	898,000	863,200
Net Expenditure ...	713,200	810,500	742,500	699,700
Net Receipts, Major and Minor Works.	193,746	62,700	262,100	255,100

About two-fifths of the total revenue under this head is obtained in the Punjab, and the improvement shewn in the Revised Estimate for 1903–1904 as compared with the Budget has mainly occurred in this Province.

The Budget Estimate of expenditure on Minor Works in 1903–1904 included a special grant of £166,700 (25 lakhs), but it was not possible to utilise this grant fully. In the Budget for 1904–1905 provision is made for a special contribution of £20,000 (3 lakhs) to the Central Provinces.

Mint.

——	Accounts, 1902–1903.	Budget, 1903–1904.	Revised Estimate, 1903–1904.	Budget, 1904–1905.
	£	£	£	£
Receipts	411,238	366,700	2,712,200	196,100
Charges	424,014	404,200	2,617,100	232,100
Net receipts ...	*—12,776*	*—37,500*	95,100	*—36,000*

The gross receipts under this head consist of the gross profit on the coinage of new rupees, the fees for coinage of dollars for use in Hong Kong and the Straits Settlements, and the gain on the copper coinage.

The expenditure includes, in addition to ordinary mint charges, a payment to the Gold Reserve Fund of the net profit on the coinage of new rupees. The amount of the net profit so included in the three years, is as follows :— 1902–1903, £264,028 ; 1903-1904 (Revised Estimate), £2,465,700 ; 1904–1905 (Budget) £123,300.

The coinage of rupees, including the re-coinage of withdrawn issues, has been as follows in the last two years :—

	Rs.
1902-1903	11,27,22,680
1903–1904	16,17,05,169

Miscellaneous.

——	Accounts, 1902–1903.	Budget, 1903–1904.	Revised Estimate, 1903–1904.	Budget, 1904–1905.
	£	£	£	£
Receipts	338,421	354,200	345,000	324,800
Charges	592,737	303,400	408,400	253,900
Net receipts ...	*—254,316*	50,800	*—63,400*	70,900

The receipts under this head consist mainly of rents, unclaimed deposits, contributions, and premiums on bills, while the principal charges are for the up-keep of minor establishments, the remittance of treasure, charitable donations, and irrecoverable loans written off. The figures given above include the following charges on account of remission of advances made to agriculturists during the famine, chiefly in Bombay, viz. :—Accounts, 1902–1903, £208,351 ; Budget, 1903–1904, £67,200 ; Revised Estimate, 1903–1904, £136,900 ; Budget, 1904–1905, £8,500.

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

Exchange.

	£
Accounts, 1902–1903	31,571
Budget, 1903–1904	15,800
Revised Estimate, 1903–1904	54,400
Budget, 1904–1905	69,900

The average rate obtained for bills and telegraphic transfers sold by the Secretary of State for India was 16·0018 pence per rupee in 1902–1903 and 16·049 pence per rupee in 1903–1904. The receipt on account of exchange entered in the Budget for 1904–1905 represents the anticipated gain on transactions with railway companies at contract rates of exchange.

NET EXPENDITURE.

Debt Services.

	Accounts, 1902–1903.	Budget, 1903–1904.	Revised Estimate, 1903–1904.	Budget, 1904–1905.
	£	£	£	£
Interest on Total Debt	7,093,476	7,117,300	7,132,200	7,235,500
Deduct amount chargeable to Railways (*included under Railways, page* 17).	4,689,121	4,834,800	4,860,800	5,080,800
Deduct amount chargeable to Irrigation (*included under Irrigation, page* 18).	969,105	994,400	993,000	1,023,500
Interest on Ordinary Debt	1,435,250	1,288,100	1,278,400	1,131,200
Interest on other obligations	397,435	418,500	420,400	445,100
Total Charges	1,832,685	1,706,600	1,698,800	1,576,300
Receipts	867,667	730,600	817,200	769,000
Net Charges	965,018	976,000	881,600	807,300

The total debt is classified in the Accounts as (1) Public Works Debt and (2) Ordinary Debt. The amount entered as belonging to the former category is the equivalent of the total capital expenditure which has been incurred by the State on Public Works, and the interest on this sum is charged under Railways and Irrigation (*see* pages 17 and 18 above) ; the " Ordinary Debt " consists of the remainder of the debt. In any year in which, owing to the use of surplus revenue or deposits for the construction of Public Works, the capital expenditure of the year exceeds the amount of debt incurred in the year, the effect of this system of classification is to cause a decrease to be shown in the amount of the Ordinary Debt and of the interest thereon. The figures in the table above show a decrease due to this cause.

The most important of the " other obligations " referred to in the table above are the Savings Banks Balances and the Service Funds and other special funds held by the Government of India.

The amount of the debt and other obligations is shewn on p. 9 above.

The receipts shewn in the table include the interest received in India on loans granted by the Government to Native States, Municipalities, Port Trusts, Railway Companies, &c., and in England on the balances of the Secretary of State in Council.

ARMY.

India.

	Accounts, 1902–1903.	Budget, 1903–1904.	Revised Estimate, 1903–1904.	Budget, 1904–1905.
NET CHARGES IN INDIA.				
Effective Services :—	£	£	£	£
Army and Garrison Staff ...	383,798	397,100	391,300	406,300
Regimental Pay, Allowances and Charges.	5,501,630	6,067,900	5,907,900	6,555,900
Supply and Transport... ...	2,503,056	2,552,400	2,513,500	2,558,500
Medical Establishments, Supplies and Services.	476,028	601,700	562,200	588,000
Ordnance Establishments : Stores and Camp Equipage.	515,221	705,900	601,200	755,300
Miscellaneous Services ...	370,128	111,800	618,300	424,400
Other Effective Services ...	995,550	1,044,300	1,004,600	1,120,400
Total Effective Services ...	10,745,411	11,481,100	11,599,000	12,408,800
Non-effective Charges	578,332	580,300	588,600	574,900
Total, India	11,323,743	12,061,400	12,187,600	12,983,700

England.

	Accounts, 1902–1903.	Budget, 1903–1904.	Revised Estimate, 1903–1904.	Budget, 1904–1905.
Effective Services :—				
Charges—	£	£	£	£
Payments to War Office for British Forces in India.	851,993	775,000	717,300	556,000
Furlough Allowances	363,355	338,000	410,000	353,000
Indian Troop Service and Passage of Officers.	367,330	349,100	384,300	352,800
Miscellaneous	53,231	27,100	40,000	34,000
Stores	1,290,949	1,229,600	1,117,400	1,863,800
Total	2,926,858	2,718,800	2,669,000	3,159,600
Receipts—				
Contribution of Imperial Government towards Transport Charges.	130,000	130,000	130,000	130,000
Contribution of Imperial Government towards Military Charges for Aden.	100,000	100,000	100,000	100,000
Transfer and Sale of Stores, Recoveries, &c.	103,733	207,200	178,100	104,400
Total	333,733	437,200	408,100	334,400
Net Charge for Effective Services ...	2,593,125	2,281,600	2,260,900	2,825,200
Non-effective Charges (net) ...	2,304,534	2,309,300	2,335,600	2,406,100
Total, England	4,897,659	4,590,900	4,596,500	5,231,300
Grand Total	16,221,402	16,652,300	16,784,100	18,215,000

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

Charges in India.—The chief causes of variation in the figures on the preceding page relating to charges in India are as follows :—

Absence of Troops from India on Service under the Imperial Government (South Africa, China, and Somaliland).—The saving on this account, including net credits for stores is as follows :—

	£
Accounts, 1902–1903	532,000
Budget, 1903–1904	Nil.
Revised Estimate, 1903–1904	239,200
Budget, 1904–1905	Nil.

Service Pay.—The Royal Warrant of 27th March, 1902, provided for the issue of "service pay" at rates varying from 7*d.* to 4*d.* a day to warrant and non-commissioned officers, and to efficient soldiers who have enlisted for more than three years with the colours or who have been permitted to extend their service (*i.e.*, having originally enlisted for only three years' colour service have agreed to extend their colour service to eight years). In a decision dated 4th May, 1903, the Lord Chief Justice, acting as arbitrator between the Imperial and Indian Governments, awarded and determined that the whole of the service pay issued in India under this warrant should be borne by the revenues of India. Accordingly a provision of £493,900 is made for this purpose in the Budget Estimates for 1904–1905.

Military Escorts.—In the Revised Estimate for 1903–1904, £171,400 is included for the Military Escort of the Aden Boundary Commission, and £300,000 for the Military Escort of the Mission to Tibet. In the Budget for 1904–1905, £75,300 is included for the Aden Commission, and £240,000 for the Tibet Mission.

Charges in England.—The "Payments to War Office for British force in India," shewn on the preceding page, are made up as follows :—

——	Accounts, 1902–1903.	Budget, 1903–1904.	Revised Estimate, 1903–1904.	Budget, 1904–1905.
	£	£	£	£
Capitation rate to cover expenses of recruiting, training, and other services rendered by the War Office.	517,000	555,000	555,800	556,000
Deferred pay	334,993	260,000	232,200	90,000
Miscellaneous	—	—	1,600	—
	851,993	815,000	789,600	646,000
Refunds on account of overpayments in previous years.	—	40,000	72,300	90,000
Net payment	851,993	775,000	717,300	556,000

There is a considerable increase in the payments in England in 1904–1905 for army stores. This is due to the fact that it was decided as a special measure, in view of the large surplus realised in 1903–1904, to devote £700,000 in the following year to the purchase of rifles and field and horse artillery of the newest pattern.

Military Works.

	£
Accounts, 1902–1903...	1,058,368
Budget, 1903–1904	1,009,700
Revised Estimate, 1903–1904	1,004,500
Budget, 1904–1905	1,018,300

The Budget for 1904-1905 includes provision for expenditure on water supply projects, electric lighting and punkah pulling installations in barracks, the completion of a cordite factory in the Nilgiris, a central gun carriage factory at Jubbulpore, and a small arms factory and steel and cartridge metal rolling mills at Ishapore.

Special Defence Works.

	£
Budget, 1903–1904	120,000
Revised Estimate, 1903–1904	28,400
Budget, 1904–1905	256,700

This expenditure is for a scheme of special coast defences begun in 1903–1904.

Collection of Revenue.

	Accounts, 1902–1903.	Budget, 1903–1904.	Revised Estimate, 1903–1904.	Budget, 1904–1905.
	£	£	£	£
Land Revenue	2,909,480	3,183,100	3,052,400	3,319,400
Forest	751,783	873,000	830,800	894,700
Salt	345,891	364,300	334,100	376,600
Stamps	109,308	125,500	123,500	118,300
Excise	189,184	241,900	214,500	250,500
Provincial Rates	41,882	46,500	38,200	41,400
Customs	161,335	177,000	167,400	179,800
Assessed Taxes	24,150	25,200	23,400	22,000
Registration	171,845	179,900	177,000	181,300
	4,704,858	5,216,400	4,961,300	5,384,000

The increase under Land Revenue (including District Administration) is distributed over all Provinces, but the largest increases are shewn in Madras, Bengal, and the United Provinces, and are chiefly due to expenditure on Survey and Settlement operations and on the revision of establishments.

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

Civil Departments.

	£
Accounts, 1902–1903	10,366,855
Budget, 1903–1904	10,923,400
Revised Estimate, 1903–1904	10,364,600
Budget, 1904–1905	11,325,500

The following table shews the charges for the several departments :—

——	Accounts, 1902–1903.	Budget, 1903–1904.	Revised Estimate, 1903–1904.	Budget, 1904–1905.
	£	£	£	£
General Administration . .	1,515,614	1,423,600	1,478,700	1,441,100
Law Courts	1,971,936	2,081,400	2,016,700	2,111,000
Jails	489,202	530,400	472,300	518,600
Police	2,712,230	2,856,800	2,738,800	2,866,300
Marine	342,807	399,700	353,000	464,400
Education	1,115,419	1,328,400	1,190,900	1,365,500
Ecclesiastical	111,023	119,500	113,400	123,400
Medical	883,934	958,900	850,800	971,200
Political	819,466	750,200	716,300	1,000,100
Scientific and Minor Departments.	405,224	474,500	433,700	463,900
Total	10,366,855	10,923,400	10,364,600	11,325,500

Under several heads the Revised Estimate for 1903–1904 shews a saving on the Budget figures, which in some cases is due to the fact that schemes for which provision had been made were not ready for introduction during the year. The decrease under Education is in part nominal, since a portion of grants made to Provincial Governments under this head has been devoted to Educational buildings and is included under Civil Works Expenditure.

In Bengal, the United Provinces, the Punjab, and Bombay the plague charges included under "Medical" were less than had been anticipated.

The increases in the Budget for 1904–1905 represent mainly the additional expenditure required for improving and developing the ordinary civil administration of the country. The political charges include £143,000 for arrears of the subsidy of the Amir of Afghanistan and £91,700 for payments in connection with the Seistan and Tibet missions and the reorganisation of the Waziristan militia.

Miscellaneous Civil Charges.

	£
Accounts, 1902–1903...	3,640,258
Budget, 1903–1904	3,666,600
Revised Estimate, 1903–1904	3,619,600
Budget, 1904–1905	3,664,200

The expenditure under this head includes Territorial and Political Pensions, Furlough and Absentee Allowances, Superannuation Allowances and Pensions, and Stationery and Printing. The most important figures are those relating to Superannuation Allowances and Pensions, the net charge for which is as follows :—

——	India.	England.	Total.
	£	£	£
1902–1903	690,039	1,924,177	2,614,216
1903–1904 (Revised Estimate) ...	707,300	1,941,800	2,649,100
1904–1905 (Budget)	746,500	1,950,800	2,697,300

Provincial and Local Railways.

	£
Accounts, 1902–1903	54,659
Budget, 1903–1904	51,600
Revised Estimate, 1903–1904	26,600
Budget, 1904–1905	21,200

The expenditure is confined to Madras. There is a small receipt in Assam.

Famine Relief and Insurance.

	Accounts, 1902–1903.	Budget, 1903–1904.	Revised Estimate, 1903–1904.	Budget, 1904–1905.
	£	£	£	£
Famine Relief	321,509	102,000	20,400	Nil
Protective Railways...	1,625	153,300	127,200	147,000
Protective Irrigation Works ...	94,742	166,700	149,200	233,300
Reduction or avoidance of Debt ...	564,700	578,000	586,400	546,100
Total	982,576	1,000,000	883,200	926,400
Add net loss on Bengal-Nagpur and Indian Midland Railways, included under Railway Revenue Account.	17,424	Nil	116,800	73,600
Grand Total	1,000.000	1,000,000	1,000,000	1,000,000

A sum of not less than £1,000,000 is annually appropriated for the purposes of Famine Relief and Insurance. When the outlay on direct famine relief is less than this sum, the balance is used (1) for the construction or maintenance of protective railways and irrigation works (the cost of which is regularly defrayed from revenue), and (2) for the construction of ordinary public works, which would otherwise require additional borrowing. The amount used for the last mentioned purpose is shown under the head of "Reduction or Avoidance of Debt."

The expenditure on famine relief in 1902–1903 occurred chiefly in Bombay. In the Budget for 1903–1904 provision was made for an outlay of £100,000 on relief in the Central Provinces and £2,000 in the United Provinces of Agra and Oudh, but only a portion of this expenditure was needed. No provision has been thought necessary for the present year.

The charges shewn under Protective Railways represent expenditure on four feeder lines in Madras.

The provision for Protective Irrigation Works has been raised to 35 lakhs (£233,300) in 1904–1905 to enable more rapid progress to be made with works of this nature, chiefly in the United Provinces of Agra and Oudh, the Central Provinces, and Madras.

The net charge for working the Bengal-Nagpur and the Indian Midland Railways is debited to the Famine Insurance Grant, because the lines were constructed as protective works. The Revised Estimate for 1903–1904 includes, for the first time, interest charges on the northern section of the East Coast Railway, which is now worked by the Bengal-Nagpur Railway.

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

Civil Works.

	£
Accounts, 1902–1903	3,697,139
Budget, 1903–1904	3,983,300
Revised Estimate, 1903–1904	4,039,800
Budget, 1904–1905	4,623,900

The Budget for 1904–1905 includes £547,000 for expenditure by Provincial Governments from special grants. A portion of the money is given by the Government of India in order to enable particular public improvements to be carried out; but the greater part of the expenditure from the special grants, though shewn under the head of Civil Works, may be transferred by the Provincial Governments to other heads at their discretion.

Provincial Balances.

	Amount added to Balances and charged against the Revenue of the Year.	Expenditure defrayed from Balances and shewn as diminishing charges against the Revenue of the Year.
	£	£
Accounts, 1902–1903	—	72,425
Budget, 1903–1904	—	1,383,500
Revised Estimate, 1903–1904	1,201,200	—
Budget, 1904–1905	—	1,316,800

In the Budget for 1903–1904 it was anticipated that the revenue accruing to the Provincial Governments in the year (including certain special grants made by the Government of India at the beginning of the year) would amount to £19,345,600, and that the Provincial expenditure of the year would be £20,729,100, of which £1,383,500, being the excess of Provincial expenditure over Provincial revenue, would be met from Provincial Balances, the remainder being charged against the Revenue of the year.

During the year, however, the Government of India made the following additional grants to Provincial Governments :—

	£
(1.) To Bengal, Madras, the United Provinces, and Assam, in connection with the introduction of new arrangements for regulating the financial relations between the Government of India and the Governments of those Provinces	1,000,000
(2.) To eight Provinces for expenditure in future years on works of public utility	726,800
(3.) To Bombay, the Punjab, and the Central Provinces to enable them to close the year with the prescribed minimum balance	241,700

Owing mainly to these grants the revenue accruing to the Provincial Governments in the year was £21,429,500. The Provincial expenditure of the year was £20,228,300. Thus, whereas it had been anticipated that the Provincial Governments would provide from their balances £1,383,500 towards the expenditure of the year, they actually added £1,201,200 to their balances during the year.

The Provincial Adjustments were thus less favourable by £2,584,700 to the Government of India than the Budget Estimate had shewn.

In 1904–1905 it is anticipated that Provincial Balances will contribute £1,316,800 towards the expenditure of the year.

Notes on the main heads of Net Revenue and Expenditure.

It is proposed to extend to Bombay and the Punjab, and possibly to the Central Provinces, in 1904–1905 the new scheme of "Provincial Settlements," mentioned above as having been already introduced into Bengal, Madras, the United Provinces, and Assam. Hitherto the "Provincial Settlements" have been revised at the end of every five years. Under the new scheme no period of revision is fixed, and it is intended that the arrangements now introduced into the various Provinces shall, as far as possible, be permanent; though the Government of India necessarily reserves to itself the power to revise the Settlement of any or all Provinces whenever necessity may demand it.

Appendix III.

Home Charges.

APPENDIX III.

Home Charges.

The following is an analysis of the Net Expenditure in England charged on the Revenue of the year :—

Net Expenditure.	Accounts, 1902-1903.	Revised Estimate, 1903-1904.	Budget, 1904-1905.
	£	£	£
Interest and Management of Debt (excluding Interest charged in Railway Revenue Account)	2,894,586	2,901,100	3,003,100
Railway Revenue Account	6,520,623	6,582,800	6,672 200
Civil Administration: Payments on account of Departments in India, passage, outfit, &c. ..	37,137	33,200	32,700
Postal Subsidy	52,000	52,000	108,000
Telegraph: Red Sea Company's Annuity	18,027	18,000	18,000
„ Indo-European	82,232	43,900	50,100
„ Joint Purse Guarantee	—	16,500	12,300
Public Works: Civil Engineering College	9,802	6,500	900
„ Other Charges	3,515	3,000	2,400
Marine: His Majesty's ships in Indian Seas	105,475	100,100	100,200
„ Indian Government Defence Vessels	66,238	—	*-26,000*
„ Other Charges	1,307	1,800	1,500
Indian Civil Service: Allowances to Candidates, Examinations, &c. ..	6,879	8,100	8,300
Lunatics: Maintenance	2,384	2,300	2,300
Political Charges: Persian Mission and Minor Consulates	5,300	4,200	1,300
„ Pensions: Territorial and Political	12,590	10,800	10,800
„ Other Charges	1,703	600	2,400
India Office: Salaries of Establishment	129,412	133,100	132,800
„ Auditor's Department	7,543	7,200	7,200
„ Store Department	23,933	24,700	25,200
„ Stationery, Postage, Telegrams, and other Charges	26,640	33,100	27,400
Army, Effective: Home Charges of British Forces serving in India (including receipt on account of Aden)	758,115	642,300	469,000
„ „ Troop Service and Transport (including receipt from War Office)	198,710	238,300	159,200
„ „ Other Charges	52,378	69,000	33,400
Stores: Civil and Public Works	297,335	330,500	248,200
„ Telegraph	150,862	167,000	156,000
„ Marine	74,894	165,700	178,500
„ Military	1,226,689	956,300	1,823,600
„ Special Defences (1902)	—	6,000	150,000
„ Miscellaneous Charges	6,882	1,300	9,000
Furlough: Civil and Marine	244,026	237,500	257,500
„ Military	357,233	385,000	340,000
„ Telegraph and Public Works	63,855	58,500	61,500
Non-Effective Charges: Civil and Marine	1,330,813	1,343,000	1,356,400
„ Military	2,897,898	2,934,400	3,000,500
Total	17,667,016	17,487,800	18,435,900

There is an increase in the Budget for 1904–1905, as compared with the Revised Estimate for 1903–1904, of £89,400 in the Railway Revenue Account, of £938,500 in Stores, mainly Army, and of £79,500 in Non-Effective Charges. There is a decrease of £258,000 in Army-Effective. In other services there is a net increase of £98,700. The total increase in the net sterling Expenditure is accordingly £948,100.

The Expenditure in England not charged on the Revenues of the year, according to the Accounts and Estimates, is as follows :—

Expenditure.	Accounts, 1902-1903.	Revised Estimate, 1903-1904.	Budget, 1904-1905.
	£	£	£
Capital outlay on construction of State Railways	1,529,344	1,287,800	1,709,000
„ „ on Irrigation Works	6,679	5,500	6,800
Total	1,536,023	1,293,300	1,715,800

APPENDIX IV.

Railways.

Length of railways open in India on 31st March, 1902			25,470·43 miles.
Length of railways open in India on 31st March, 1903			26,305·55 „
Additional mileage opened in 1903–1904:—			
Bengal-Nagpur	140·29	miles	
Assam-Bengal	100·74	„	
Oudh and Rohilkhand	76·47	„	
Khushálgarh-Kohát-Thal ...	62·03	„	
Kalka-Simla	59·44	„	
Tinnevelly-Quilon	58·88	„	
Bengal and North Western ...	57·84	„	
North Western	46·25	„	
Bombay-Baroda and Central India	44·00	„	
Noakhali (Bengal)	34·90	„	
Tanjore District Board	28·35	„	
Burma	25·53	„	
Bukhtiarpur-Behar	18·50	„	
Madras	16·47	„	
Gaekwar's Railway	15·70	„	
Vijapur-Kalol-Kadi	12·20	„	
Bengal-Dooars	9·81	„	
Indian Midland	8·85	„	
Ahmedabad-Dholka	8·50	„	
Other Railways	13·06	„	
Total			837·81 „
Length of railways open in India on 31st March, 1904			27,143·36 miles

—	1901.	1902.	1903.
Number of passengers carried	193,941,000	196,648,000	213,825,000
Tons of goods carried	43,955,000	45,535,000	48,340,000

Appendix IV.

Railways.

Percentage of Net Traffic Receipts of Railways on Capital Outlay.

(The Capital at charge for each line on 31st March, 1903, is calculated by deducting from the total capital outlay up to 31st March, 1903, half the outlay in 1902–1903.)

—	—	Capital at Charge, March 31st, 1903.	Net Receipts, 1902-1903.	Percentage of Net Receipts on Capital Outlay.
		£	£	
Guaranteed ...	Bombay-Baroda and Central India ...	10,730,063	545,763	5·09
	Madras	12,132,436	400,419	3·30
State	East Indian	39,618,737	2,888,229	7·29
	Rajputana-Malwa	10,351,327	877,522	8·48
	Bhopal	188,498	11,416	6·05
	Palanpur-Deesa	15,680	425	2·71
	Bengal-Nagpur	15,965,328	476,522	2·98
	Warora Colliery	104,226	15,358	14·74
	Burma	8,136,874	360,294	4·43
	Assam-Bengal	7,661,264	16,548	·22
	Jorhat	60,312	362	·60
	Eastern Bengal	10,274,540	575,881	5·61
	Bengal Central	1,010,393	36,890	3·65
	Brahmaputra-Sultanpur	180,776	8,830	4·88
	Tirhoot	3,229,520	146,202	4·53
	Oudh and Rohilkhand	11,893,775	466,117	3·92
	Indian Midland	8,303,037	292,965	3·53
	Lucknow-Bareilly Section	748,013	51,793	6·92
	Hardwar-Dehra	174,440	8,456	4·85
	North Western	37,672,699	1,168,163	3·10
	South Indian	6,422,621	421,980	6·57
	North East Line, Madras Railway ...	4,072,915	96,415	2·37
	Bezwada Extension	77,317	10,207	13·20
	Guntakal-Mysore Frontier	393,595	11,947	3·04
	Mysore	1,176,114	39,543	3·36
	Tanjore District Board	250,521	11,338	4·53
	Tinnevelly-Quilon (British Section)...	200,257	2,678	1·34
	Great Indian Peninsula	27,417,345	1,430,827	5·22
	Southern Mahratta	7,900,040	162,898	2·06
	Jodhpur - Hyderabad (British Section).	267,711	14,233	5·32
		226,630,374	10,550,220	4·65
Unopened lines, stores, &c.	... ...	2,158,160		
		228,788,534	10,550,220	4·61
Private Companies :— Government payments.	... ...	1,731,042		
		230,519,576		

APPENDIX V.

MAJOR IRRIGATION WORKS: CAPITAL OUTLAY AND NET REVENUE.

	Capital Outlay till end of 1902-1903.	Net Revenue (being gross receipts less working expenses) 1902-1903.	Percentage of net Revenue on Capital Outlay.
	£	£	
Bengal :—			
Orissa Project	1,728,710	2,944	·17
Midnapur	552,840	5,309	·96
Sone	1,721,503	61,520	3·58
United Provinces :—			
Ganges	1,908,349	218,338	11·44
Lower Ganges	2,254,216	95,671	4·24
Agra	614,028	41,873	6·82
Eastern Jumna	267,703	72,800	27·19
Fatehpur	212,855	907	·43
Betwa	287,934	*— 1,069*	*— ·37*
Punjab and N.W. Frontier :—			
Western Jumna	1,096,772	102,907	9·33
Bari-Doab	1,258,941	171,406	13·61
Sirhind	1,563,745	129,835	8·30
Chenab	1,789,563	396,242	22·14
Jhelum	748,259	*— 6,974*	*— ·93*
Swat River	267,918	29,971	11·18
Madras :—			
Godavari Delta	763,453	166,810	21·84
Kistna Delta	896,452	153,864	17·16
Pennér-Anicut	352,680	21,184	6·00
Kurnool-Cuddapah	1,450,170	7,778	·54
Periyar Project	578,999	22,159	3·83
Rushikulya Project	299,788	2,109	·70
Bombay:—			
E. Nara Works	412,048	29,069	7·05
Mutha	439,136	11,195	2·55
Jamrao	539,507	21,540	3·99
Nira	357,369	11,771	3·30
Burma :—			
Mandalay	307,001	*— 526*	*— ·17*
Other Works	1,967,505	107,418	5·46
Total	24,637,444	1,876,051	7·61

Appendix VI.

Trade Tables.

APPENDIX VI.

Trade Tables.

I.—Summary of Sea-borne Trade.

II.—Imports and Exports of Merchandise: Summary distinguishing Government transactions from transactions on Private Account.

III.—Analysis of Imports of Merchandise, shewing the principal articles separately.

IV.—Analysis of Exports of Merchandise, shewing the principal articles separately.

V.—Analysis of Imports of Merchandise on Private Account, shewing separately the countries of origin.

VI.—Analysis of Exports of Indian Merchandise on Private Account, shewing separately the countries of destination.

VII.—Movements of Treasure.

I.—*Summary of Sea-borne Trade.*

	1901–1902.	1902–1903.	1903–1904.
	£	£	£
Imports :—			
Merchandise	59,187,033	57,212,776	61,718,175
Treasure	13,734,224	16,919,237	26,752,824
Total	72,921,257	74,132,013	88,470,999
Exports :—			
Merchandise :—			
Indian Produce	80,982,143	84,266,537	100,219,568
Re-exports	2,281,384	1,997,863	2,257,063
Total	83,263,527	86,264,400	102,476,631
Treasure	7,647,240	6,438,425	10,848,175
Total	90,910,767	92,702,825	113,324,806
Total Imports and Exports	163,832,024	166,834,838	201,795,805
Net Exports...	17,989,510	18,570,812	24,853,807

II.—*Imports and Exports of Merchandise: Summary distinguishing Government Transactions from Transactions on Private Account.*

	1901–1902.	1902–1903.	1903–1904.
	£	£	£
Imports of Merchandise :—			
Private	54,345,986	52,525,272	56,538,856
Government	4,841,047	4,687,504	5,179,319
Total Imports	59,187,033	57,212,776	61,718,175
Exports of Merchandise :—			
Private	82,976,586	85,876,910	102,104,894
Government	286,941	387,490	371,737
Total Exports	83,263,527	86,264,400	102,476,631
Net Exports, Private	28,630,600	33,351,638	45,566,038
Net Imports, Government	4,554,106	4,300,014	4,807,582

III.—*Analysis of Imports of Merchandise, shewing the principal articles separately.*

	1901-1902.	1902-1903.	1903-1904.
A. *On Private Account*—	£	£	£
1. Live Animals	311,043	296,627	357,522
2. Articles of Food and Drink :—			
Liquors	1,109,696	1,180,420	1,218,517
Provisions :—			
From United Kingdom	470,497	505,461	544,461
From elsewhere	852,618	721,906	807,151
Total	1,323,115	1,227,367	1,351,612
Salt	517,944	414,336	424,611
Sugar (Refined) :—			
From United Kingdom	138,068	201,466	420,338
From Mauritius	1,239,860	1,264,882	1,697,281
From Austria-Hungary and Germany ..	1,932,703	655,401	193,670
From Java	185,170	314,098	749,523
From elsewhere	249,350	743,861	758,831
Unrefined Sugar, Molasses, and Confectionery ...	188,331	123,565	143,153
Total	3,933,482	3,303,273	3,962,796
Spices	565,060	565,202	548,102
Other articles	387,152	313,573	296,955
Total value of articles of Food and Drink ...	7,836,449	7,004,171	7,802,593
3. Metals and Machinery :—			
Hardware and Cutlery :—			
From United Kingdom	791,495	928,769	1,002,126
From Germany	171,918	142,086	176,620
From elsewhere	174,345	261,923	373,494
Total	1,137,758	1,332,778	1,552,240

Appendix VI.

Trade Tables.

III.—*Analysis of Imports of Merchandise, shewing the principal articles separately—cont.*

A. *On Private Account—cont.*	1901-1902.	1902-1903.	1903-1904.
3. Metals and Machinery—*cont.*	£	£	£
Machinery and Millwork :—			
From United Kingdom	1,924,908	1,804,194	2,116,877
From elsewhere	79,013	65,033	118,578
Total	2,003,921	1,869,227	2,235,455
Iron and Steel :—			
From United Kingdom	1,890,770	2,120,502	
From Belgium	1,080,169	984,320	4,048,623
From elsewhere	271,674	286,194	
Total	3,242,613	3,391,016	4,048,623
Copper	720,297	1,308,288	1,434,239
Other Metals	636,480	632,032	705,200
Railway Plant (other than Government Stores) ...	1,028,386	1,074,481	930,516
Total value of Metals and Machinery :—			
From United Kingdom	6,291,015	7,088,816	
From Belgium	1,214,826	1,142,620	10,906,273
From elsewhere	1,263,614	1,376,386	
Total	8,769,455	9,607,822	10,906,273
4. Chemicals, Drugs, Medicines, Narcotics, Dyeing and Tanning Materials.	1,606,399	1,631,104	1,833,745
5. Oils	2,812,605	2,476,563	2,358,344
6. Raw materials and unmanufactured articles :—			
Jewellery	740,260	763,498	1,014,367
Silk	539,747	367,743	395,302
Other articles	1,264,189	1,183,280	1,183,325
Total	2,544,196	2,314,521	2,592,994

III.—*Analysis of Imports of Merchandise, shewing the principal articles separately—cont.*

	1901–1902.	1902–1903.	1903–1904.
A. *On Private Account—cont.*	£	£	£
7. Articles manufactured and partly manufactured :—			
Cotton :—			
From the United Kingdom	20,872,270	19,349,429	20,673,749
From elsewhere	1,057,715	948,179	
Total	21,929,985	20,297,608	20,673,749
Silk	989,801	1,088,215	1,222,317
Wool :—			
From the United Kingdom	799,516	652,473	1,439,657
From elsewhere	513,483	284,801	
Total	1,312,999	937,274	1,439,657
Apparel (excluding hosiery and boots) :—			
From the United Kingdom	468,547	529,879	568,815
From elsewhere	525,614	512,285	575,506
Total	994,161	1,042,164	1,144,321
Glass and Glassware :—			
From the United Kingdom	103,982	118,019	111,948
From Austria-Hungary	217,557	232,790	249,100
From elsewhere	295,346	279,737	300,328
Total	616,885	630,546	661,376
Other articles	4,622,009	5,198,657	5,545,965
Total value of articles manufactured and partly manufactured.	30,465,840	29,194,464	30,687,385
Total value of Imports of Merchandise on Private Account :—			
From the United Kingdom	35,037,509	34,855,099	56,538,856
From elsewhere	19,308,477	17,670,173	
Total	54,345,986	52,525,272	56,538,856
B. *Government Stores*	4,841,047	4,687,504	5,179,319
Grand Total, Imports of Merchandise ...	59,187,033	57,212,776	61,718,175

Appendix VI.

Trade Tables.

IV.—*Analysis of Exports of Merchandise, shewing the principal articles separately.*

	1901–1902.	1902–1903.	1903–1904.
A. *Indian Merchandise exported on Private Account.*	£	£	£
1. Animals, living	142,634	137,406	148,502
2. Articles of Food and Drink :—			
Coffee	833,480	880,842	911,585
Rice :—			
To the United Kingdom	949,576	814,231	12,689,910
To Egypt	2,220,948	3,601,758	
To Straits Settlements	1,521,632	2,354,855	
To Ceylon	1,780,995	1,737,356	
To Japan	33,624	1,084,104	
To other countries	2,772,936	3,003,088	
Total	9,279,711	12,595,392	12,689,910
Wheat and Wheat-flour :—			
To the United Kingdom	1,169,480	1,948,196	7,750,734
To Egypt	490,754	676,140	
To other countries	757,905	696,211	
Total	2,418,139	3,320,547	7,750,734
Other grains and Pulse	494,444	1,070,586	1,255,102
Provisions	406,441	452,567	409,705
Spices	493,885	424,140	618,717
Tea :—			
To United Kingdom	4,927,014	4,186,004	4,889,860
To other countries	505,979	721,757	981,332
Total	5,432,993	4,907,761	5,871,192
Other articles	183,583	280,702	433,001
Total, Articles of Food and Drink	19,542,676	23,932,537	29,939,946
3. Metals and Manufactures of Metals	200,130	200,538	229,897
4. Chemicals, Drugs, Dyeing Materials, &c.:			
Opium :—			
To China	4,084,841	4,017,450	5,186,727
To other countries	1,597,149	1,327,173	1,793,382
Total	5,681,990	5,344,623	6,980,109

IV.—*Analysis of Exports of Merchandise, shewing the principal articles separately—cont.*

A. *Indian Merchandise exported on Private Account—cont.*	1901-1902.	1902-1903.	1903-1904.
4. Chemicals, Drugs, Dyeing Materials, &c.—*cont.*			
Indigo :—	£	£	£
To the United Kingdom	369,913	147,452	131,712
To Egypt	188,215	197,388	170,727
To other countries	676,709	458,948	415,029
Total	1,234,837	803,788	717,468
Other articles	990,670	994,567	973,866
Total, Chemicals, Drugs, &c.	7,907,497	7,142,978	8,671,443
5. Oils	461,167	571,786	687,304
6. Raw Materials and Unmanufactured Articles :—			
Cotton :—			
To Germany	1,191,198	1,829,912	3,096,314
To Japan	4,485,829	2,650,186	3,456,491
To other countries	3,940,369	5,358,034	9,697,973
Total	9,617,396	9,838,132	16,250,778
Hides and Skins (Unprepared) :—			
To the United States	1,856,788	1,630,366	1,592,532
To other countries	1,860,971	2,060,946	2,296,597
Total	3,717,759	3,691,312	3,889,129
Jute :—			
To the United Kingdom	3,529,727	3,281,812	3,480,398
To Germany	1,527,425	1,478,876	1,545,320
To other countries	2,807,696	2,656,962	2,786,363
Total	7,864,848	7,417,650	7,812,081
Seeds	11,186,179	9,921,714	9,677,223
Wood, Teak and other	548,953	547,146	722,229
Wool :—			
To the United Kingdom	504,076	764,897	891,171
To other countries	25,141	11,983	27,253
Total	529,217	776,880	918,424
Other articles	2,429,078	2,530,463	2,511,808
Total, Raw Materials and Unmanufactured Articles	35,893,430	34,723,297	41,781,672

Appendix VI. Trade Tables.

IV.—*Analysis of Exports of Merchandise, shewing the principal articles separately—cont.*

	1901–1902.	1902–1903.	1903–1904.
A. *Indian Merchandise exported on Private Account—cont.*	£	£	£
7. Manufactured and partly manufactured articles :—			
Cotton twist and yarn :—			
To China	5,898,726	5,304,928	5,468,536
To other countries	312,404	388,428	425,826
Total	6,211,130	5,693,356	5,894,362
Other cotton	1,032,404	978,436	1,087,177
Total cotton	7,243,534	6,671,792	6,981,539
Jute :—			
To the United Kingdom	733,256	573,257	
To the United States	1,843,429	2,093,212	6,312,798
To other countries	3,230,926	3,346,798	
Total	5,807,611	6,013,267	6,312,798
Hides and Skins :—			
To the United Kingdom	1,560,969	1,683,809	1,812,346
To other countries	208,395	248,315	253,571
Total	1,769,364	1,932,124	2,065,917
Lac :—			
To the United Kingdom	255,955	567,621	1,786,647
To other countries	380,406	637,409	
Total	636,361	1,205,030	1,786,647
Other articles	1,198,970	1,389,079	1,282,198
Total, manufactured and partly manufactured articles.	16,655,841	17,211,292	18,429,099
Total exports of Indian merchandise on Private Account :—			
To the United Kingdom	20,247,023	21,165,230	99,887,863
To other countries	60,556,352	62,754,604	
Total	80,803,375	83,919,834	99 887,863
B. *Government Stores, exports*	178,768	346,703	331,705
Total exports, Indian merchandise	80,982,143	84,266,537	100,219,568

IV.—*Analysis of Exports of Merchandise, shewing the principal articles separately—cont.*

	1901–1902.	1902–1903.	1903–1904.
Re-exports:—	£	£	£
C. *On Private Account—*			
Cotton, wool and apparel	1,331,228	1,075,636	1,223,158
Other articles	841,983	881,439	993,873
D. *Government Stores*	108,173	40,788	40,032
Total	2,281,384	1,997,863	2,257,063
Grand Total, Exports of Merchandise	83,263,527	86,264,400	102,476,631

V.—*Analysis of Imports of Merchandise on Private Account, shewing separately the countries of origin.*

Countries.	1901–02.	1902–03.	1903–04.
Europe:—	£	£	£
United Kingdom	35,037,509	34,855,099	36,693,217
Austria-Hungary	2,626,479	1,701,464	1,482,793
Belgium	2,008,860	2,061,487	2,199,376
France	917,836	945,516	1,079,412
Germany	2,024,844	1,441,251	1,946,997
Holland	399,497	412,414	502,909
Italy	649,903	557,115	636,570
Russia	2,124,110	1,803,882	1,663,866
Other countries	127,266	112,280	156,347
Total	45,916,304	43,890,508	46,361,487
Africa and adjacent Islands:—			
Egypt	169,309	202,668	387,060
Africa, British East	144,945	153,892	150,141
„ (other ports)	21,068	22,041	18,741
Mauritius	1,307,370	1,333,840	1,740,061
Other countries	3,654	4,967	12,374
Total	1,646,346	1,717,408	2,308,377

V. *Analysis of Imports of Merchandise on Private Account, shewing separately the countries of origin—cont.*

Countries.	1901–02.	1902–03.	1903–04.
	£	£	£
America :—			
Canada	14,535	—	8,887
South America	77	278	339
United States	785,927	808,661	852,436
West Indies	58	6,016	186
Total	800,597	814,955	861,848
Asia :—			
Aden	163,308	157,135	151,619
Arabia	445,577	438,605	482,245
Ceylon	604,148	466,586	470,106
China—Hong Kong	726,019	1,004,042	827,754
„ Treaty Ports	467,881	461,624	495,159
Japan	474,121	549,546	855,010
Persia	452,036	432,257	291,640
Straits Settlements	1,553,464	1,549,589	1,637,260
Turkey	206,936	123,986	251,528
Other countries	427,367	597,764	1,141,054
Total	5,520,857	5,781,134	6,603,375
Australia	461,882	321,267	409,849
Grand Total	54,345,986	52,525,272	56,544,936

VI. *Analysis of Exports of Indian Merchandise on Private Account, shewing separately the countries of destination.*

Countries.	1901–02.	1902–03.	1903–04.
	£	£	£
Europe :—			
United Kingdom	20,247,022	21,165,230	27,182,214
Austria-Hungary	1,584,055	2,132,500	2,930,592
Belgium	3,145,295	3,301,660	5,041,016
France	5,919,040	6,091,940	6,548,808
Germany	6,775,122	6,775,719	9,440,233
Holland	550,388	539,302	942,793
Italy	1,945,757	2,264,204	3,299,619
Russia	140,161	256,866	519,584
Spain	278,017	391,196	852,115
Other Countries	97,950	141,152	237,027
Total	40,682,807	43,059,769	56,994,001
Africa and adjacent Islands :—			
Egypt	3,556,759	5,131,132	2,142,035
Africa, East (British)	355,664	333,062	331,841
„ „ (Portuguese)	88,227	167,322	283,151
„ „ (other Ports)	124,804	165,443	210,416
Mauritius	857,377	716,463	769,392
Réunion	70,292	120,305	129,519
Other Countries	634,720	798,254	630,823
Total	5,687,843	7,431,981	4,497,177
America :—			
Canada	42,177	170,806	229,816
South America	1,042,098	1,079,523	1,439,839
United States	5,579,268	5,668,045	6,020,179
West Indies	203,234	221,555	265,688
Other Countries	54,851	53,059	87,147
Total	6,921,628	7,192,988	8,042,669

VI. *Analysis of Exports of Indian Merchandise on Private Account, shewing separately the countries of destination—cont.*

Countries.	1901–02.	1902–03.	1903–04.
	£	£	£
Asia :—			
Aden...	604,190	610,365	1,002,020
Arabia	633,708	741,622	705,434
Ceylon	2,985,332	2,937,383	3,053,354
China, Hongkong	6,560,567	6,205,129	7,231,977
„ Treaty Ports	5,143,435	4,366,756	4,686,306
Japan	4,634,952	3,889,792	5,626,258
Persia	366,377	422,391	314,388
Straits Settlements	4,225,976	5,025,303	4,804,568
Turkey	414,637	465,802	588,709
Other Countries	607,794	612,109	1,113,238
Total	26,176,968	25,276,652	29,126,252
Australia	1,334,129	958,444	1,260,345
Grand Total	80,803,375	83,919,834	99,920,444

VII.—*Movements of Treasure.*

	1901–1902.	1902–1903.	1903–1904.
Gold :—	£	£	£
Net Imports (+) or Exports (−) on Private Account.	+3,287,428	+6,312,842	+10,885,666
Net Imports (+) or Exports (−) on Government Account.	*−1,995,667*	*− 469,798*	*− 4,264,559*
Total Net Imports or Exports	+1,291,761	+5,843,044	+ 6,621,107
Silver :—			
Net Imports (+) or Exports (−) on Private Account.	+4,169,781	+4,650,969	+ 4,557,352
Net Imports (+) or Exports (−) on Government Account.	+ 625,442	*− 13,201*	+ 4,726,190
Total Net Imports or Exports	+4,795,223	+4,637,768	+ 9,283,542
Total Net Imports of Treasure	6,086,984	10,480,812	15,904,649

EAST INDIA: ACCOUNTS AND ESTIMATES, 1905-1906.

EXPLANATORY MEMORANDUM

BY THE

SECRETARY OF STATE FOR INDIA.

Presented to both Houses of Parliament by Command of His Majesty.

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EAST INDIA: ACCOUNTS AND ESTIMATES, 1905–1906.

Memorandum by the Secretary of State for India, relating to the Accounts of the Government of India for 1903–1904, and the Estimates for 1904–1905 and 1905–1906.

Form of Accounts and Estimates.

In the "Financial Statement" of the Government of India, which is annually presented to Parliament, the Accounts and Estimates are prepared so as to shew the transactions in India in rupees; the totals of these transactions are then shewn in pounds at the rate of £1 to 15 rupees; the sterling transactions in England are next stated; and the last two sets of figures are added together, so as to shew in pounds the combined transactions in India and in England. The comparatively small addition or deduction that has to be made on account of the facts that the remittances from India to England are not effected at exactly 16 pence to the rupee, and that the Government is under obligations to carry out certain transactions at specified rates, is shewn in a single line, under the head of Exchange.

Gross Revenue and Expenditure.

The Gross Revenue and Expenditure of the Government of India for the three years are as follows:—

Gross Revenue and Expenditure.	Accounts, 1903–1904.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
	£	£	£
Revenue	83,756,155	84,699,100	83,433,000
Expenditure	80,759,755	81,213,600	82,529,200
Surplus	2,996,400	3,485,500	903,800

Net Revenue and Expenditure.

Apart from other considerations, the Revenue and Expenditure of the country are continually increasing through the opening of additional railways and canals, and in certain years the figures of Gross Revenue and Expenditure are swollen by entries on both sides of the accounts relating to coinage operations. A clearer view of the financial condition than that afforded by the figures of Gross Revenue and Expenditure may therefore be obtained from a reference to the annual Return of Net Income and Expenditure (No. 178 of 1905), or to the tables on page 13 of the present Memorandum, in which the charges of certain revenue-earning departments are treated as deductions from Revenue, and the receipts of spending departments as an off-set against Expenditure.

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The following table gives the Net Revenue and Expenditure for the three years as calculated in the manner indicated :—

Net Revenue and Expenditure.	Accounts, 1903–1904.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
	£	£	£
Net Revenue	46,844,062	49,688,700	47,901,300
Net Expenditure	43,847,662	46,203,200	46,997,500
Surplus...	2,996,400	3,485,500	903,800

1903–1904.

The following are the net figures for the year 1903–1904, as shown in the Budget, Revised Estimate, and Accounts :—

Net Revenue and Expenditure.	Budget, March 1903.	Revised Estimate, as published in March 1904.	Accounts.
	£	£	£
Net Revenue	43,113,700	46,569,500	46,844,062
Net Expenditure	42,165,000	43,858,300	43,847,662
Surplus...	948,700	2,711,200	2,996,400

Comparison of Accounts with Budget Estimate.

As compared with the Budget Estimate, the Accounts show an increase of the net Revenue by £3,730,362, and of the net Expenditure by £1,682,662, or a net improvement of £2,047,700.

The increase of £3,730,362 in the net Revenue was due to improvements of £866,878 under Opium, £819,769 under Railways, £474,800 under Excise, £323,366 under Customs, £292,904 under Salt, £169,056 under Irrigation, £161,393 under Forests, £156,038 under Land Revenue, £136,681 under Mint, and minor improvements amounting to £329,477 under other heads.

The net increase of £1,682,662 in the net Expenditure is the result of increases and decreases under several heads, the most important variations occurring under Provincial Adjustments. The chief decreases occurred under Collection of Revenue £278,015, Debt Services £174,435, Education £147,114, Law and Justice £120,799, Military Works and Special Defence Works £113,075. On the other hand a considerable proportion of the increased receipts under certain heads of revenue, and of the saving under certain heads of expenditure, accrued to the Provincial Governments, to which also special grants were made during the year ; consequently, their balances, instead of being reduced, as had been anticipated, by £1,383,500 were increased by £1,195,259, and the adjustment is less favourable to the Government of India by £2,578,759.

Comparison of Accounts with Revised Estimate.

Compared with the Revised Estimate, the net Revenue was better by £274,400, or about one-half per cent., and the net Expenditure less by £10,600, or about one-fortieth of 1 per cent. Of the increase in net Revenue, £91,004 occurred under Salt, £57,500 under Excise.

1904–1905.

The following table gives a comparison of the Revised Estimate for 1904–1905 with the Budget Estimate published in March 1904 :—

Net Revenue and Expenditure.	Budget.	Revised Estimate.	Difference.
	£	£	£
Net Revenue	45,773,500	49,688,700	+3,915,200
Net Expenditure	44,845,800	46,203,200	+1,348,400
Surplus	918,700	3,485,500	2,566,800 Better

Comparison of Revised Estimate with Budget.

The improvement of £3,915,200 in the net Revenue is the result of the following increases and decreases under the several heads :—*Increases* : Railways £1,900,300, Opium £1,121,400, Customs £448,800, Excise £253,200, Salt £213,900, Telegraph £137,400, Forest £133,100, other heads £376,600. *Decreases* : Land Revenue (Madras and Bombay) £618,800, other heads £50,700.

"The most important change contributing to the increase in the net Expenditure occurs under Provincial Adjustments. A portion of the benefit arising from the improvement in Revenue and the reduction of Expenditure shewn in the Revised Estimates goes to strengthen the position of the Provincial Governments, and special Grants of £667,000 were made during the year to Bombay and the Punjab on the occasion of the introduction of new settlements with the Government of India. The balances of Provincial Governments have thus been reduced in the aggregate by only £24,100 as against a reduction of £1,316,800 anticipated in the Budget ; and the Adjustment is less favourable to the Government of India by £1,292,700. The Army charges have increased by £1,137,700, mainly in consequence of the Reorganisation Scheme and the additional cost of the Tibet Mission. There are decreases of £311,300 under Civil Works, £196,000 under Political, £184,600 under Military Works and Special Defence Works, £183,000 under Collection of Revenue, and £207,100 (net) under other heads.

1905–1906.

In preparing the Budget for 1905–1906 the Government of India have, with the sanction of the Secretary of State in Council, made provision for the following special measures :—

1. *Reduction of the Salt Tax.*—This tax has been levied at a uniform rate throughout practically the whole of India (except Burma and Aden) since 10th March, 1882. The rates in force from that date up to the time of the present remission have been as follows :—

10th March, 1882, to 18th January, 1888	2 rupees per maund of 82⅔ lbs.
19th January, 1888, to 17th March, 1903	2½ „ „ „
18th March, 1903, to 21st March, 1905	2 „ „ „

With effect from 22nd March, 1905, the rate has been reduced from 2 to 1½ rupees per maund.

The cost of this measure is estimated at £1,220,000, but it is anticipated that a portion of the loss will be made up by increase of consumption.

2. *Abolition of Famine Cesses.*—Since 1878 certain local rates, known as Famine Cesses, have been levied in the United Provinces, the Punjab, and the Central Provinces at approximately 2 per cent on the Land Revenue. These cesses have now been remitted at an estimated cost of £151,000 a year.

3. *Alteration of Postal Rates.*—Hitherto the rates for Inland Letters have been as follows :—

Weight not exceeding ½ tola (⅜ ounce) ...	½ anna (one halfpenny).
„ „ 1½ tolas (1⅛ ounce)	1 anna (one penny).
Every additional 1½ tolas or fraction thereof	„ „

The weight to be carried for a halfpenny has now been raised to ¾ tola. The cost of this concession is estimated at £47,000 a year.

4. *Grants to Provincial Governments for Expenditure on Police.*—In accordance with the recommendations of a Commission appointed in India to report on the organisation of the Police, it has been decided to introduce certain changes in the pay, numbers, and grading of the force with a view to increasing its efficiency. In all Provinces in India with which Provincial settlements have been made, the Police charges are borne by the Provincial Governments ; and, in order to enable them to defray the cost of the proposed improvements, the Government of India have in the present Budget provided grants amounting to £333,000, which will be repeated in future years and increased in due course so as to enable further reforms to be carried out.

3. *Grants to Provincial Governments for Expenditure on Primary Education.*—Permanent grants of £233,000 a year have been made to the Provincial Governments for expenditure in increasing the number of primary schools, increasing the number and efficiency of the staff, and improving the buildings and appliances.

4. *Grants to Provincial Governments for Agricultural Development.*—Permanent grants of £133,000 a year have been made for expenditure on the establishment of experimental and demonstration farms and agricultural colleges.

5. *Grants to District and Local Boards.*—Permanent grants amounting to £377,000 a year (to be distributed by Local Governments) have been made to District and Local Boards. The expenditure of District Boards is mainly on roads, buildings, hospitals, dispensaries, schools, water supply, sanitation, and veterinary aid for cattle. It is intended that in the expenditure of the grants now made special attention shall be given to the improvement of means of communication.

6. *Army Expenditure.*—It has been decided that for the next few years provision shall be made annually for expenditure on measures for improving the efficiency of the Army in India, including artillery re-armament, the redistribution of the troops, an increase in the number of officers, and the supply of additional stores. The expenditure on these measures will be shewn under the special sub-head "Reorganisation" in the Accounts and Estimates. The first expenditure was incurred in 1904–1905, and provision has been made for £2,439,900 in the Estimates for 1905–1906. The Government of India are not yet in a position to give a final estimate of the cost of the measures which will be required.

The following table compares the Net Revenue and Expenditure as estimated in the Budget for 1905–1906 with the figures of the Revised Estimate for the preceding year :—

	Revised Estimate, 1904–1905.	Budget, 1905–1906.	Difference.
	£	£	£
Net Revenue	49,688,700	47,901,300	*—1,787,400*
Net Expenditure	46,203,200	46,997,500	+ 794,300
Surplus	3,485,500	903,800	2,581,700 Worse

The decrease of £1,787,400 in the Net Revenue is due to the following causes :—

	£	£
Decreases are anticipated in—		
Salt (owing to the reduction of the Salt Tax mentioned above)	1,087,900	
Railways (chiefly owing to the anticipation that the exceptionally large traffic on the North-Western State Railway in 1904–1905 will not be maintained in 1905–1906) ...	690,300	
Opium (prices in 1904–1905 having been abnormally high)	432,300	
Telegraph (owing to increased capital expenditure)	99,200	
Mint, Irrigation, Provincial Rates, Exchange, Post Office, Tributes, and Customs ...	266,600	
Total decreases		2,576,300
Increases are anticipated in—		
Land Revenue (chiefly in Madras, Bombay, and Burma)...	513,700	
Excise	142,400	

	£	£
Stamps, Forest, Assessed Taxes, and Registration	132,800	
Total increases	———	788,900
Net decrease of Revenue		1,787,400

The increase of £794,300 in Net Expenditure is expected to occur as follows:—

Increases are anticipated in—	£	£
Civil Works (owing to larger expenditure by Provincial Governments and by District and Local Boards, partly from the special grants mentioned above)	758,300	
Police (chiefly from special grants)	405,100	
Education „ „ „	352,700	
Collection of Revenue (chiefly in Land Revenue charges)	308,700	
Military Works and Special Defence Works (largely owing to Reorganisation Scheme)	266,800	
Scientific and Minor Departments (chiefly for expenditure from special grants for agricultural development)	214,300	
Other heads	312,700	
Total increases	———	2,618,600
Decreases are anticipated in—		
Provincial Adjustments (owing to payments by Provincial Governments from their balances towards the expenditure of the year)	1,346,200	
Debt Services (owing to transfer of Interest Charges from Ordinary Debt to Public Works Debt)	209,200	
Other heads	268,900	
Total decreases	———	1,824,300
Net increase of Expenditure		794,300

Debt.

In 1903–1904 a Loan of two crores of rupees (£1,333,300) bearing interest at 3½ per cent. was issued in India at an average price of 98·1 per cent. In England £1,500,000 India 3 per cent. Stock was issued at an average price of £98 19*s.* 0*d.* per cent., the proceeds being used for the discharge of £600,000 debentures of the Great Indian Peninsula Railway and towards the discharge of India sterling bills falling due in the year. Of the £3,500,000 sterling bills outstanding on 1st April, 1903, £1,500,000 were discharged without replacement. Bills in replacement of the remaining £2,000,000 were issued at average rates of £3 7*s.* 5*d.* (June, 1903), £3 11*s.* 6*d.* (September), £3 12*s.* 11*d.* (December), £3 5*s.* 2*d.* (March, 1904).

In 1904–1905 a loan of 3 crores of rupees (£2,000,000) was issued in India at an average price of 97·6 per cent., and a temporary loan of £333,300 was discharged. In England £2,500,000 3 per cent. Stock was issued in order to

provide for the discharge of £1,002,100 debentures of the Great Indian Peninsula Railway Company, and for advances by the Secretary of State in Council to Railway Companies. The average price obtained was £95 18*s.* 6*d.* per cent. Of the £2,000,000 sterling bills outstanding on 1st April, 1904, £1,500,000 were discharged without replacement. Bills in replacement of the remaining £500,000 were issued in June, 1904, at an average rate of £2 11*s.* per cent.

In the Budget of the current year (1905–1906) it was proposed to issue in India a loan of four crores of rupees (£2,666,700); and in England a loan of £2,000,000. The loan in England was issued on 6th April, 1905, tenders being invited for £2,000,000 3 per cent. India Stock at a minimum of 97. The average rate obtained was £97 18*s.* 1*d.* Of the proceeds of this loan £250,000 will be expended in the discharge of debentures of the Great Indian Peninsula Railway, £500,000 is for the purchase of the Bengal Central Railway on the 30th June, 1905, and the remainder will be used for advances to railway companies. The £500,000 sterling bills which were outstanding on 1st April, 1905, will be discharged without replacement.

Railways.

On the 31st of March, 1905, the length of Railways in India open for traffic was 27,749 miles, of which 623 were opened in 1904–1905. The mileage under construction or sanctioned for construction was 3,139 miles, of which 712 were sanctioned in 1904–1905.

The expenditure on the Construction of Railways shewn in the Accounts for 1903–1904 and Estimates for 1904–1905 and 1905–1906 is as follows :—

	Accounts, 1903–1904.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
	£	£	£
Expenditure not charged to Revenue :—			
State railways (from money provided by State).	4,535,100	5,157,200	4,751,300
State railways (from money raised through Companies).	—	963,600	2,110,700
Old guaranteed Companies	207,200	123,100	431,000
Other guaranteed or assisted Companies	1,692,200	1,293,400	1,139,000
Branch lines on firm guarantee	1,900	4,600	2,300
Expenditure charged to Revenue	123,200	136,900	48,700
Total outlay by Government or with Government assistance.	6,559,600	7,678,800	8,483,000
Branch lines not on firm guarantee ...	12,600	7,400	7,900
Railways outside Government accounts ...	418,700	696,100	645,300
Total	6,990,900	8,382,300	9,136,200

The net traffic receipts in 1903–1904 of open lines in which the Government is directly interested were 4·93 per cent. on the capital cost. Details relating to the several lines will be found on page 30 below.

The Railway Revenue Account shewed in 1903–1904 a net receipt of £860,669, and in 1904–1905 a net receipt of £2,254,500. In the Budget for 1905–1906 allowance is made for some reduction in the total traffic, which was unusually heavy in 1904–1905; and the net receipt is taken at the reduced amount of £1,564,200. These results are arrived at after charging in the Account not only all interest charges but also the following payments in redemption of capital which are included in the annuities issued for the purchase of railways, viz :—

	£
In 1903–1904	631,000
In 1904–1905	652,500
In 1905–1906	674,864

Irrigation Works.

The outlay on the construction of Major Irrigation Works incurred during the last two years and estimated to be incurred in the present year is as follows :— 1903–1904, £599,300 ; 1904–1905 (Revised Estimate), £552,300 ; 1905–1906 (Budget), £1,181,900. The allotment for 1905–1906 includes grants for two new projects, the Upper Jhelum and the Upper Chenab Canals, each estimated to cost approximately £2,000,000. The provision for expenditure in 1905–1906 is £96,700 for the Upper Jhelum and £100,000 for the Upper Chenab Canal Of the gross expenditure on minor works (amounting to £875,000 in 1903–1904, £922,000 in 1904–1905 (Revised Estimate), and £991,000 in 1905–1906 (Budget), a considerable portion is devoted to the construction of new works ; this expenditure is charged against the revenue of the year in which it is incurred.

The following table shews the total capital expenditure on Major Irrigation Works, and the net receipts :—

—	Capital Expenditure to End of the Year, excluding indirect charges.	Net Receipts during the Year (being gross receipts, *less* working expenses and interest charges.)
	£	£
1903–1904	25,290,600	952,183
1904–1905 (Revised Estimate) ...	25,842,900	954,500
1905–1906 (Budget)	27,024,800	985,800

Liabilities and Assets.

On the 31st of March, 1905, the debt of India amounted to £214,416,726 (viz. :—rupee debt, converted into sterling at 1*s.* 4*d.* the rupee, £81,529,535, and sterling debt, £132,887,191). There were also other obligations of the Government of India, including Savings Bank balances, Judicial and Departmental deposits, balances of Service Funds, &c., amounting to £17,206,551.

Up to the same date the Government of India had devoted £87,927,772 to the construction of Railways, and £26,108,252 to the construction of Irrigation Works. It had purchased (in some cases by cash payments and in other cases by annuities*) six railways, on which, at the time of purchase, £85,219,000 had been spent. It had lent £12,041,289 (net) to Native States, Corporations, Agriculturists, &c., and had advanced £11,363,498 to Railway Companies. Other assets were the Gold Reserve Fund, on account of which £8,362,616 had been invested, the cash balances in India, £10,333,352, and the cash balances in England, £10,338,282.

Exchange and Remittance.

The sale by the Secretary of State in Council of bills and telegraphic transfers on India during the last three years has been as follows :—

	£			
1902–1903 ...	18,499,946,	at an average rate of	1*s.* 4·0018*d.*	per rupee.
1903–1904 ...	23,859,303	,, ,,	1*s.* 4·0491*d.*	,,
1904–1905 ...	24,425,558	,, ,,	1*s.* 4·045*d.*	,,

Gold Reserve Fund.

In accordance with a recommendation made by the Indian Currency Committee, it was decided that, with effect from the 1st April, 1900, the net profit from the coinage of rupees should not be treated as revenue, but should be held as a special reserve, and sent to England for investment in sterling securities. This profit amounted to £3,031,294 in 1900–1901, £415,100 in

* The annuities now outstanding are East Indian Railway Annuity, £1,145,238 (of which £294,750 is deferred under the existing contract for working the line), running to 14th February, 1953 ; Eastern Bengal Railway Annuity, £116,851, running to 31st July, 1957 ; Scinde Punjab and Delhi Railway Annuity, £371,361, running to 31st December, 1958 ; and Great Indian Peninsula Railway Annuity, £1,268,516, to 17th August, 1948.

1901–1902, £264,028 in 1902–1903, £2,627,575 in 1903–1904, and £1,738,700 in 1904–1905. Practically the whole amount has been remitted to England and applied to the purchase of British Government securities. Including the dividends, which have been invested as they accrued, the amount invested on account of the Gold Reserve Fund up to 31st March, 1905, was £8,362,616, and the securities purchased were as follows :—£6,043,758 2½ per cent. Consolidated Stock, £528,034 National War Loan 2¾ per cent. Stock, £434,511 Local Loans 3 per cent. Stock, £727,736 Transvaal Government 3 per cent. Guaranteed Stock, and £1,200,000 Treasury Bills.

Home Charges.

The net Expenditure in England chargeable to Revenue was £17,399,730 in 1903–1904, £18,801,000 in the Revised Estimate for 1904-1905, and £19,262,800 in the Budget for 1905–1906. The last-named amount is thus divided :—

	£
Interest and Management of Debt, and payment of Interest and Annuities on account of Railways	9,675,600
Payments in connection with Civil Departments in India ...	293,800
India Office, including Auditor's and Store Departments ...	192,200
Army Effective Charges	777,600
Stores of all kinds charged against revenue	3,312,400
Furlough Allowances	671,500
Non-Effective Charges	4,339,700
Total	19,262,800

Besides this, the outlay on stores, &c., for the construction of State Railways and Irrigation Works was £1,305,583 in 1903–1904, and is estimated at £1,517,000 in 1904–1905, and £2,372,500 in 1905–1906.

Seaborne Trade.

The following figures show the Exports from, and Imports into, India during the last three years :—

———	1902-1903.	1903–1904.	1904-1905.
	£	£	£
Exports of Merchandise	86,264,400	102,344,773	105,139,291
Imports „	57,212,776	61,728,182	69,609,324
Net Exports of Merchandise	29,051,624	40,616,591	35,529,967
Net Imports of Gold	5,843,044	6,621,107	6,470,591
Net Imports of Silver	4,637,768	9,033,711	8,915,648
Net Imports of Treasure	10,480,812	15,654,818	15,386,239
Balance : Net Exports	18,570,812	24,961,773	20,143,728

The transactions in treasure on account of the Government were as follows :—1902–1903, net export of gold £469,798, net export of silver £13,201 ; 1903–1904, net export of gold £4,264,559 ; net import of silver £4,056,783 ; 1904–1905, net export of gold £5,604,999, net import of silver £4,290,595.

Burden of Taxation.

	Accounts 1903–1904.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
	£	£	£
Salt	4,981,700	5,086,600	3,998,700
Stamps	3,538,200	3,701,800	3,765,400
Excise	4,932,500	5,254,300	5,396,700
Provincial Rates	2,822,000	2,821,200	2,774,700
Customs	3,839,100	4,268,500	4,266,400
Assessed Taxes	1,206,600	1,248,700	1,273,400
Registration	326,000	339,000	341,900
Total	21,646,100	22,720,100	21,817,200
According to the census taken in March, 1901, the population of British India was 231,085,000. On this basis, and allowing for the increase of population at the rate of two-fifths of one per cent. per annum, the payment per head, on the assumption that the whole of the taxation, including that on Salt, Excise, and Customs, is paid by the inhabitants of British India, is ...	*s.* *d.* 1 10¼	*s.* *d.* 1 11¼	*s.* *d.* 1 10¼
If the payment of Land Revenue be added, the average becomes...	3 5¼	3 6	3 5½

ST. JOHN BRODRICK.

India Office,
May 31, 1905.

APPENDIX I.

Tables of Net Revenue and Expenditure.

Net Revenue.

Net Revenue.	Accounts, 1903–1904.		Budget, 1904–1905.		Revised Estimate, 1904–1905.		Budget, 1905–1906.	
	£	£	£	£	£	£	£	£
I. Land Revenue, &c.:								
1. Land Revenue	18,508,738		18,837,200		18,218,400		18,732,100	
2. Forest	1,477,393		1,425,400		1,558,500		1,600,100	
3. Tributes from Native States.	410,827		409,000		421,300		412,600	
		20,396,958		20,671,600		20,198,200		20,744,800
II. Opium		3,506,178		2,947,700		4,069,100		3,636,800
III. Taxation:								
1. Salt	4,981,704		4,872,700		5,086,600		3,998,700	
2. Stamps	3,538,237		3,598,100		3,701,800		3,765,400	
3. Excise	4,932,500		5,001,100		5,254,300		5,396,700	
4. Provincial Rates... ...	2,821,967		2,828,900		2,821,200		2,774,700	
5. Customs	3,839,066		3,819,700		4,268,500		4,266,400	
6. Assessed Taxes	1,206,636		1,256,500		1,248,700		1,273,400	
7. Registration	326,041		333,100		339,000		341,900	
		21,646,151		21,710,100		22,720,100		21,817,200
IV. Commercial Undertakings:								
1. Post Office	103,929		*— 35,600*		77,600		64,800	
2. Telegraph	*— 59,189*		*—163,500*		*— 26,100*		*—125,300*	
3. Railway Revenue Account	860,669		354,200		2,254,500		1,564,200	
4. Irrigation	231,756		255,100		219,900		161,900	
		1 137 165		410 200		2,525,900		1,665,600
V. Mint		99,181		*— 36,000*		76,300		*— 17,800*
VI. Exchange		58,429		69,900		99,100		54,700
Total Net Revenue ...		46,844,062		45,773,500		49,688,700		47,901,300

Net Expenditure.

Net Expenditure.	Accounts, 1903–1904.		Budget, 1904–1905.		Revised Estimate, 1904–1905.		Budget, 1905–1906.	
	£	£	£	£	£	£	£	£
I. Debt Services (excluding interest payments chargeable to Railways and Irrigation).		801,565		807,300		768,700		559,500
II. Military Services:								
1. Army	16,775,780		18,215,000		19,352,700		19,354,700	
2. Military and Special Defence Works.	1,016,625		1,275,000		1,090,400		1,357,200	
		17,792,405		19,490,000		20,443,100		20,711,900
III. Collection of Revenue ...		4,938,385		5,384,000		5,201,000		5,509,700
IV. Civil Services:								
1. Civil Departments ...	10,381,887		11,325,500		10,793,500		11,871,500	
2. Miscellaneous Civil Charges	3,714,097		3,593,300		3,687,200		3,623,100	
3. Civil Works, including Construction of Railways charged to Local or Provincial Revenues.	4,118,384		4,645,100		4,333,800		5,092,100	
		18,214,368		19,563,900		18,814,500		20,586,700
V. Famine Relief and Insurance		905,680		926,400		1,000,000		1,000,000
VI. Provincial Balances:								
1. Increased by portion of Allotments not spent in the year.		1,195,259		—		—		—
2. Reduced by Expenditure from Balances.		—		*-1,316,800*		*— 24,100*		*-1,370,300*
Total Net Expenditure charged against Revenue.		43,847,662		44,854,800		46,203,200		46,997,500
Surplus		2,996,400		918,700		3,485,500		903,800

Appendix II.

APPENDIX II.

Notes on the main heads of Net Revenue and Expenditure.

Notes on the main heads of Net Revenue and Expenditure.

NET REVENUE.

Land Revenue.

	£
Accounts, 1903–1904	18,508,738
Budget, 1904–1905	18,837,200
Revised Estimate, 1904–1905	18,218,400
Budget, 1905–1906	18,732,100

The collections in 1904–1905 have fallen short of the Budget Estimate, owing to partial failure of the rains in Madras and Bombay, and to failure of the kharif crop in Bundelkhand, in consequence of which it was found necessary to grant remissions and suspensions of land revenue amounting to more than £600,000.

The Budget Estimate for 1905–1906 anticipates increases of £445,000 in Madras and £234,000 in Bombay (due chiefly to the expectation of more favorable conditions), of £116,000 in Burma (owing to extension of cultivation), and of £60,000 in Bengal. On the other hand, it is anticipated that the damage done by frost to the rabi crop in the United Provinces early in 1905 will necessitate large remissions and suspensions, and a reduction of £243,000 in those provinces is allowed for. The prospects in the Punjab are also not so favorable, and it is assumed that the collections there will be reduced by £85,000. Minor increases and decreases are expected in the remaining provinces.

Forest.

	£
Accounts, 1903–1904...	1,477,393
Budget, 1904–1905	1,425,400
Revised Estimate, 1904–1905	1,558,500
Budget, 1905–1906	1,600,100

More than one-third of the total revenue under this head is obtained in Burma. The gross receipts in this province since 1901–1902 are as follows :— 1901–1902, £391,600 ; 1902–1903, £449,270 ; 1903–1904, £551,300 ; 1904–1905 (Revised Estimate), £563,300 ; 1905–1906 (Budget), £606,700.

Tributes.

	Accounts, 1903–1904.	Budget, 1904–1905.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
	£	£	£	£
Receipts	609,086	626,000	635,700	620,400
Assignments and Compensations, and Refunds and Drawbacks.	199,259	217,000	214,400	207,800
Net Revenue	410,827	409,000	421,300	412,600

The "assignments and compensations" include the annual rent paid to the Nizam under the arrangement for the administration of Berar (*see* Parliamentary Paper Cd. 1321 of 1902).

Opium.

——	Accounts, 1903–1904.	Budget, 1904–1905.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
	£	£	£	£
Receipts	5,736,045	4,955,100	6,044,000	5,477,700
Charges	2,229,867	2,007,400	1,974,900	1,840,900
Net Receipts	3,506,178	2,947,700	4,069,100	3,636,800

In 1903–1904 the prices realised at the Calcutta opium sales were exceptionally high, and the exports of Malwa opium were also large. On the other hand, the crop was a very heavy one, and, in consequence, the payments to cultivators were also unusually high.

In 1904–1905 the average price obtained for Bengal opium was even higher than in the previous year, while the payments to cultivators were not so heavy. There was a decided falling-off in the exports of Malwa opium, but as the rate of the pass duty was raised during the year the diminution in receipts from this source was not considerable.

In framing the Budget for the current year the Government of India have considered it unsafe to reckon on a continuance of the exceptional prices realised during the past two years, and some reduction is accordingly shown in the receipts. The payments are also less, as the prospects of the crop are unfavorable. Statistics are appended.

——	Bengal.		Bombay.		Chests of Bengal Opium produced.	Payments to Cultivators, including purchase of Opium.
	Chests sold.	Average price.	Chests of Malwa Opium passed for Export.	Rate of Duty per Chest.		
		Rs.		Rs.		£
Accounts, 1903–1904 ...	48,000	1,462	26,141	500	64,738	2,051,365
Budget, 1904–1905 ...	48,000	1,250	22,920	500	—	1,827,500
Revised Estimate, 1904–1905.	48,000	1,587	19,370	500 and 600	50,000	1,810,500
Budget, 1905–1906 ...	48,000	1,400	20,000	600	—	1,655,400

Salt.

	£
Accounts, 1902–1903...	5,931,933
Budget, 1903–1904	4,688,800
Accounts, 1903–1904...	4,981,704
Budget, 1904–1905	4,872,700
Revised Estimate, 1904–1905	5,086,600
Budget, 1905–1906	3,998,700

In March, 1903, the Salt Duty was reduced in the greater part of India (excluding Burma) from 2½ to 2 rupees a maund. In March, 1905, a further reduction to 1½ rupees a maund was made (*see* page 6 above).

The consumption of salt in India (excluding Burma), was :—

In 1901–1902	34,393,799 maunds.
In 1902–1903	35,209,184 „
In 1903–1904	36,383,642 „

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

Stamps.

	£
Accounts, 1903–1904...	3,538,237
Budget, 1904–1905	3,598,100
Revised Estimate, 1904–1905	3,701,800
Budget, 1905–1906	3,765,400

About two-thirds of the revenue is derived from court fee stamps and about one-third from commercial and other stamps. The growth of revenue has been greatest in Bengal.

Excise.

	£
Accounts, 1903–1904...	4,932,500
Budget, 1904–1905	5,001,100
Revised Estimate, 1904–1905	5,254,300
Budget, 1905–1906	5,396,700

The Excise Revenue has been steadily expanding since 1897–1898, when the net receipts were only £3,609,389. In 1901–1902 the figures were £4,025,770 and in 1902–1903 £4,384,181. The marked improvement during the past three years is shared by all provinces, and is attributed to more prosperous conditions and better administration.

Provincial Rates.

	£
Accounts, 1903–1904...	2,821,967
Budget, 1904–1905	2,828,900
Revised Estimate, 1904–1905	2,821,200
Budget, 1905–1906	2,774,700

The decrease in the Budget for 1905–1906 is due to the abolition of Famine Cesses (*see* page 6). The cost of this measure is estimated at £151,000 a year, but it is anticipated that there will be some improvement under other heads.

Customs.

	£
Accounts, 1903–1904...	3,839,066
Budget, 1904–1905	3,819,700
Revised Estimate, 1904–1905	4,268,500
Budget, 1905–1906	4,266,400

The gross receipts during the past three years, and the budget figures for the current year, are as follows :—

	Accounts, 1902–1903.	Accounts, 1903–1904.	Budget, 1904–1905.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
	£	£	£	£	£
Rice (export duty)	843,700	802,100	733,300	853,300	800,000
Cotton Manufactures	641,000	658,900	663,300	813,900	778,500
Liquors	506,200	543,700	562,700	553,300	561,300
Metals and Manufactures of Metals.	466,800	496,400	495,000	530,000	550,000
Other Manufactured Articles ...	402,500	472,100	486,700	550,000	576,700
Petroleum	358,400	293,300	280,000	313,300	316,700
Other Articles	759,000	699,800	696,200	747,200	780,800
Total	3,977,600	3,966,300	3,917,200	4,361,000	4,364,000

In 1904–1905 there was an extraordinary increase in the imports of cotton manufactures, due chiefly to the abundant American cotton crop, the depletion of stocks in India in the previous year, when the price of raw material was high, and the general prosperity of the country. The rice crop in Burma was exceptionally heavy, and the exports were the largest on record. The increase in the imports of manufactured articles in the same year was also remarkable.

The Budget Estimate for 1905–1906 allows for some reduction in the receipts from cotton and rice.

Assessed Taxes.

	£
Accounts, 1902–1903...	1,402,672
Accounts, 1903–1904...	1,206,636
Budget, 1904–1905	1,256,500
Revised Estimate, 1904–1905	1,248,700
Budget, 1905–1906	1,273,400

The receipts shewn under this head are almost entirely derived from Income Tax. On the 1st April, 1903, the limit of exemption from income tax was raised, in the case of private incomes, from Rs. 500 a year to Rs. 1,000. The cost of this measure was estimated at £240,000 a year.

Registration.

	£
Accounts, 1903–1904	326,041
Budget, 1904–1905	333,100
Revised Estimate, 1904–1905	339,000
Budget, 1905–1906	341,900

The receipts are principally derived from fees for registering documents.

Post Office.

	Accounts, 1903–1904.	Budget, 1904–1905.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
	£	£	£	£
Receipts	1,507,153	1,495,300	1,590,700	1,608,300
Charges	1,403,224	1,530,900	1,513,100	1,543,500
Net revenue	103,929	— *35,600*	77,600	64,800

The charges in 1904–1905 include £48,000 paid to the General Post Office on account of arrears in connection with the carriage of mails between England and India. In 1905–1906 allowance is made for the reduction of postal rates mentioned on page 6, which is estimated to cost £47,000 a year.

Telegraph.

	Accounts, 1903–1904.	Budget, 1904–1905.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
	£	£	£	£
Receipts	857,635	834,400	889,200	909,100
Charges	916,824	997,900	915,300	1,034,400
Net charge	*59,189*	*163,500*	*26,100*	*125,300*

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

The improvement in 1904–1905 in the receipts, which include those of the Indo-European Telegraph Department, is chiefly due to increased inland traffic, consequent on a reduction in the charges for telegrams which was effected in January 1904, and to India's share of an increased foreign traffic resulting from the Russo-Japanese war.

The charges include the following amounts for capital outlay :—1903–1904, £270,465 ; 1904–1905 (Revised Estimate), £266,000 ; 1905–1906 (Budget Estimate), £364,000.

Railways.

——	Accounts, 1903-1904.	Budget, 1904–1905.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
State Railways :—	£	£	£	£
Gross Receipts	20,576,591	20,580,900	22,854,900	22,906,900
Charges :—				
Working Expenses ...	10,378,158	10,563,900	11,086,500	11,236,900
Interest on Capital spent or advanced by the State.	4,857,462	5,080,800	5,083,600	5,348,300
Interest on Capital deposited by Companies.	1,222,001	1,283,000	1,268,300	1,342,300
Annuities in purchase of railways.	3,004,620	3,008,500	3,009,300	3,013,200
Total	19,462,241	19,936,200	20,447,700	20,940,700
Net Receipts	1,114,350	644,700	2,407,200	1,966,200
Guaranteed Railways :—				
Net charge to the State...	208,620	202,100	91,400	313,300
Miscellaneous charges(net)	45,061	88,400	61,300	88,700
Net Receipts from all Railways.	860,669	354,200	2,254,500	1,564,200

Before 1899–1900 the Railway Revenue Account always shewed a net charge. From that year onwards it has shewn a net receipt. The figures from 1896–1897 are as follows :—

		£
1896–1897	Net charge	1,152,467
1897–1898	,,	709,313
1898–1899	,,	620,165
1899–1900	Net receipt	76,756
1900–1901	,,	325,124
1901–1902	,,	846,616
1902–1903	,,	228,949
1903–1904	,,	860,669
1904–1905 (Revised Estimate.)	,,	2,254,500
1905–1906 (Budget Estimate.)	,,	1,564,200

Gross Receipts of State Railways.—The profit derived by the State from the railways arises from the State lines, under which head are included not only the lines worked by the State (of which the most important are the North-Western, Eastern Bengal, and Oudh and Rohilkhand systems), but also lines which, while classified as State railways, are worked by companies, and have in most cases been constructed by companies. Among the most important of the lines included in the latter class are the East Indian, Great Indian Peninsula, Bengal-Nagpur, Indian Midland, Rajputana-Malwa, Assam-Bengal, Southern Mahratta, South Indian, and Burma Railways. For some years the gross receipts of the State lines have been growing rapidly. Excluding, for the purpose of comparison, the receipts of the Great Indian Peninsula Railway, which was not acquired by the State till 1900–1901, the receipts for 10 years are as follows :—1896–1897, £11,759,711 ; 1897–1898, £12,696,340 ; 1898–1899, £13,075,980 ; 1899–1900, £14,653,223 ; 1900–1901, £15,170,314 ; 1901–1902, £16,432,994 ; 1902–1903, £16,231,912 ; 1903–1904, £17,519,799 ; 1904–1905 (Revised Estimate), £19,574,900 ; 1905–1906 (Budget), £19,640,200.

Including the receipts of the Great Indian Peninsula Railway, the figures since the 1st April, 1901, are :—

1901–1902.	1902–1903.	1903–1904.	Budget, 1904–1905.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
£	£	£	£	£	£
19,227,226	19,137,656	20,576,591	20,580,900	22,854,900	22,906,900

In 1903–1904 there was a considerable improvement in the earnings of nearly all the more important railway systems, due mainly to exceptionally heavy grain traffic, notably on the North-Western Railway. In 1904–1905 there was a further great improvement, the wheat traffic of the North-Western Railway having again proved unusually heavy, and the traffie on most of the other large systems having continued exceptionally favourable. The most important increases, as compared with the previous years, are :—North-Western Railway, £760,800 ; East Indian Railway (due to heavy pilgrim and coal traffic), £396,900 ; Great Indian Peninsula Railway (due to the favourable cotton crop), £223,200.

In the Budget Estimate for 1905–1906 the gross receipts of State railways are taken at £22,906,900, being £52,000 in excess of the receipts shewn in the Revised Estimate for 1904–1905. The figures are affected by the exclusion in 1905–1906 of the figures for the Bengal and North-Western Railway, which is about to make a new contract with the Secretary of State in Council, and by the inclusion for the last three months of the same year of the estimated gross receipts of the Bombay, Baroda and Central India Railway, which will be transferred on 1st January, 1906, from "Guaranteed Railways" to "State Railways." Omitting in both years the figures relating to these two lines, the estimate of the gross receipts in 1905–1906 is higher by £198,800 than the receipts for 1904–1905. This estimate allows for development of traffic on newly opened lines, but also for a falling off on certain lines (especially the North-Western State Railway), which in 1904–1905 yielded exceptionally favourable results.

Working Expenses of State Railways.—In the Budget for 1905–1906 provision is made for special renewals of permanent way and rolling stock, and for repairs to flood damages.

The annuities shewn among the charges of State railways were created for the purchase by the State of the East Indian, Eastern Bengal, Scinde-Punjab and Delhi, and Great Indian Peninsula railways. The annual payments include the following amounts in redemption of capital, viz. :—1903–1904, £631,000 ; 1904–1905, £652,500 ; 1905–1906, £674,864.

The transactions included under the heading "Guaranteed Railways" are, with slight exceptions, those of the Madras Railway Company and the Bombay, Baroda and Central India Railway Company. In the case of the Madras Railway Company the net traffic receipts paid to the Government fall short of the guaranteed interest and "surplus profits" paid by the Government

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

to the Company by the following amounts, viz.:—1903–1904, £166,010; 1904–1905 (Revised Estimate), £141,300; 1905–1906 (Budget), £155,100. In the case of the Bombay, Baroda and Central India Railway Company there was a similar deficiency of £42,386 in 1903–1904, and a deficiency of £116,100 is anticipated in 1905–1906: but in 1904–1905 the net traffic receipts exceeded by £47,700 the charges borne by the Government.

Irrigation.

	Accounts, 1903–1904.	Budget, 1904–1905.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
MAJOR WORKS:	£	£	£	£
Receipts	2,757,169	2,799,500	2,843,800	2,888,200
Working Expenses	810,751	821,200	873,400	854,100
Interest on Debt	994,235	1,023,500	1,015,900	1,048,300
Net Receipts	952,183	954,800	954,500	985,800
MINOR WORKS:				
Receipts	154,594	163,500	187,400	167,100
Expenditure	875,021	863,200	922,000	991,000
Net Expenditure ...	720,427	699,700	734,600	823,900
Net Receipts, Major and Minor Works.	231,756	255,100	219,900	161,900

More than two-fifths of the revenue under this head is obtained in the Punjab, and the variations shewn under Major Works have mainly occurred in this Province.

Under Minor Works the increased expenditure in 1904–1905 has taken place chiefly in Madras and Bengal. In the Budget Estimate for 1905–1906 provision is made for a special grant of £66,700 (10 lakhs) from Imperial revenues in accordance with the recommendations of the Irrigation Commission.

Mint.

	Accounts, 1903–1904.	Budget, 1904–1905.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
	£	£	£	£
Receipts	2,884,766	196,100	197,000	105,500
Charges	2,785,585	232,100	120,700	123,300
Net receipts ...	99,181	*—36,000*	76,300	*—17,800*

The great decrease in the figures for 1904–1905 and 1905–1906 is due to a change in the method of exhibiting the net profit on the coinage of new rupees. This profit is not retained as a part of the ordinary revenue of the Government of India, but is transferred to the Gold Reserve Fund as it accrues. Up to and including 1903-1904 the amount of the profit realised, and the corresponding amount transferred to the Gold Reserve Fund, were brought to account separately as a receipt and payment, respectively, under the head "Mint." These transactions are now excluded from the Revenue and Expenditure Account and shewn elsewhere under "Deposits and Advances." The net profit in 1903–1904 amounted to £2,627,575.

Information regarding the amount of the Gold Reserve Fund and the form in which it is held is given on pages 10 and 11 above.

The coinage of rupees, including the re-coinage of withdrawn issues, has been as follows in the last two years :—

	Rs.
1903–1904	16,17,17,556
1904–1905	10,86,63,537

Exchange.

	£
Accounts, 1903–1904	58,429
Budget, 1904–1905	69,900
Revised Estimate, 1904–1905	99,100
Budget, 1905–1906	54,700

The average rate obtained for bills and telegraphic transfers sold by the Secretary of State for India was 16·0491 pence in 1903–1904 and 16·045 pence in 1904–1905. The receipt on account of exchange entered in the Budget for 1905–1906 represents the anticipated gain on transactions with railway companies at contract rates of exchange.

NET EXPENDITURE.

Debt Services.

	Accounts, 1903–1904.	Budget, 1904–1905.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
	£	£	£	£
Total payments for Interest on Debt ...	7,127,899	7,235,500	7,290,600	7,292,400
Deduct amount chargeable to Railways (*included under Railways, page* 18).	*4,857,462*	*5,080,800*	*5,083,600*	*5,348,300*
Deduct amount chargeable to Irrigation (*included under Irrigation, page* 20).	*994,235*	*1,023,500*	*1,015,900*	*1,048,300*
Interest on Ordinary Debt	1,276,202	1,131,200	1,191,100	895,800
Interest on other obligations	421,425	445,100	447,300	469,100
Total	1,697,627	1,576,300	1,638,400	1,364,900
Interest Receipts	896,062	769,000	869,700	805,400
Net Interest Payments other than those chargeable to Railways and Irrigation.	801,565	807,300	768,700	559,500

The total debt is classified in the Accounts as (1) Public Works Debt and (2) Ordinary Debt. The amount entered as belonging to the former category is the equivalent of the total capital expenditure which has been incurred by the State on Public Works, and the interest on this sum is charged under Railways and Irrigation (*see* pages 18 and 20 above) ; the " Ordinary Debt " consists of the remainder of the debt. In any year in which, owing to the use of surplus revenue or deposits for the construction of Public Works, the capital expenditure of the year exceeds the amount of debt incurred in the year, the effect of this system of classification is to cause a decrease to be shown in the amount of the Ordinary Debt and of the interest thereon. The figures in the table above show a decrease due to this cause.

The most important of the " other obligations " referred to in the table above are the Savings Banks Balances and the Service Funds and other special funds held by the Government of India.

The amount of the debt and other obligations is shewn on page 10 above.

The receipts shewn in the table include the interest received in India on loans granted by the Government to Native States, Municipalities, Port Trusts, Railway Companies, &c., and in England on the balances of the Secretary of State in Council,

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

ARMY.

India.

	Accounts, 1903–1904.	Budget, 1904–1905.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
NET CHARGES IN INDIA.				
Effective Services :—	£	£	£	£
Army and Garrison and Administrative Staff.	536,509	557,500	538,200	558,000
Regimental Pay, Allowances and Charges.	5,898,642	6,555,900	6,504,700	6,562,400
Supply and Transport... ...	2,526,138	2,558,500	2,514,800	2,593,100
Medical Establishments, Supplies and Services.	560,762	588,000	570,900	582,200
Ordnance Establishments, Stores and Camp Equipage.	599,777	755,300	710,000	814,000
Miscellaneous Services ...	617,745	424,400	843,900	195,200
Other Effective Services ...	896,014	969,200	922,600	922,100
Total Effective Services ...	11,635,587	12,408,800	12,605,100	12,227,000
Non-effective Charges	579,164	574,900	576,900	578,100
Reorganization	—	—	491,500	569,100
Total, India	12,214,751	12,983,700	13,673,500	13,374,200

England.

	Accounts, 1903–1904.	Budget, 1904–1905.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
Effective Services :—				
Charges—	£	£	£	£
Payments to War Office for British Forces in India.	627,109	556,000	644,600	646,000
Furlough Allowances	402,247	353,000	408,000	376,000
Indian Troop Service and Passage of Officers.	370,506	352,800	390,000	340,300
Miscellaneous	44,818	34,000	52,000	42,000
Stores	1,174,100	1,863,800*	1,442,400	853,500
Total	2,618,780	3,159,600	2,937,000	2,257,800
Receipts—				
Contribution of Imperial Government towards Transport Charges.	130,000	130,000	130,000	130,000
Contribution of Imperial Government towards Military Charges for Aden.	100,000	100,000	100,000	100,000
Transfer and Sale of Stores, Recoveries, &c.	172,632	104,400	128,100	70,900
Total	402,632	334,400	358,100	300,900
Net Charge for Effective Services ...	2,216,148	2,825,200	2,578,900	1,956,900
Non-effective Charges (net) ...	2,344,881	2,406,100	2,400,300	2,388,000
Reorganization	—	—	700,000	1,635,600
Total, England	4,561,029	5,231,300	5,679,200	5,980,500
Grand Total	16,775,780	18,215,000	19,352,700	19,354,700

* Includes a grant of £700,000 transferred in the Revised Estimate to the sub-head "Reorganization."

Expenditure in 1904–1905.—The total net expenditure on the Army was estimated in the Budget for 1904–1905 at £18,215,000. The expenditure given in the Revised Estimate is £19,352,700, being an increase of £1,137,700. It will be seen from the table on the preceding page that the Revised Estimate includes a net expenditure of £1,191,500 (viz., £491,500 in India and £700,000 in England) under the new sub-head "Reorganisation." The £700,000 expended in England is a grant for artillery and rifles which was included in the Budget Estimate under the sub-head "Stores," and has now been transferred to the sub-head "Reorganisation." The £491,500 expended in India on Reorganisation was granted in the course of 1904–1905 after the Budget had been presented, and has been spent on mules, horses, materials for the manufacture of ammunition, and other stores and equipment.

The expenditure on Re-organisation, of which this grant forms part, will extend over some years, during which it is intended to redistribute the Army in India, to improve the organisation, and to acquire additional arms, ammunition, transport, and stores. It is proposed to spend about £2,000,000 a year on the scheme, the expenditure being shown separately, partly under Army and partly under Military Works.

The other chief causes contributing to the increase in expenditure in the Revised Estimate for 1904–1905 are (1) an increase of £380,000 over the amount (£240,000) originally provided for the Tibet Expedition in the year, and (2) an increase in the expenditure in England on stores other than Reorganisation stores.

Expenditure in 1905–1906.—The total net expenditure on the Army in the Budget for 1905-1906 differs by only £2,000 from that in the Revised Estimate for 1904–1905. There are decreases of £648,700 in the expenditure on Miscellaneous Services in India, mainly due to the termination of the Tibet Mission, and of £588,900 on ordinary stores in England. On the other hand, the provision under "Army" for Reorganisation exceeds by £1,013,200 the expenditure in 1904–1905. The greater part of the Reorganisation grant included in the Army Estimates is to be spent on artillery and ammunition.

The total provision for Reorganisation in 1905–1906 is £2,439,900, viz.:—£2,204,700 under Army and £235,200 under Military Works (see below). This sum includes £333,300, which having been granted but not spent in 1904–1905, is available for expenditure during the current year.

Military Works.

		£
Accounts, 1903–1904		989,571
Budget, 1904–1905		1,018,300
Revised Estimate, 1904–1905 :—		
Ordinary expenditure ...	£940,200	
Reorganisation	2,300	
		942,500
Budget Estimate, 1905–1906 :—		
Ordinary expenditure ...	868,800	
Reorganisation	235,200	
		1,104,000

Of the provision for Reorganisation Expenditure in 1905–1906, £147,000 is for the construction of barracks in connection with the Redistribution Scheme and the remainder is for the increase of the manufacturing power of the ordnance factories in India.

Special Defence Works.

	£
Accounts, 1903-1904	27,054
Budget, 1904–1905	256,700
Revised Estimate, 1904–1905	147,900
Budget, 1905–1906	253,200

This expenditure is for a scheme of special coast defences begun in 1903–1904.

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

Collection of Revenue.

——	Accounts, 1903-1904.	Budget, 1904-1905.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
	£	£	£	£
Land Revenue	3,048,884	3,319,400	3,192,900	3,378,000
Forest	813,618	894,700	875,900	926,500
Salt	331,191	376,600	345,200	373,300
Stamps	122,379	118,300	121,600	124,700
Excise	213,928	250,500	242,300	268,600
Provincial Rates	39,212	41,400	38,100	39,100
Customs	168,165	179,800	181,500	188,900
Assessed Taxes	23,208	22,000	22,500	22,500
Registration	177,800	181,300	181,000	188,100
Total ... £	4,938,385	5,384,000	5,201,000	5,509,700

The variations under Land Revenue occur mainly in connection with Survey and Settlement operations and with changes in Provincial and Village establishments.

The charges for Forest conservation, &c., increase with the work of the Department and the growth of the gross revenue.

Civil Departments.

	£
Accounts, 1903-1904	10,381,887
Budget, 1904-1905	11,325,500
Revised Estimate, 1904-1905	10,793,500
Budget, 1905-1906	11,871,500

The following table shews the charges for the several departments :—

——	Accounts, 1903-1904.	Budget, 1904-1905.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
	£	£	£	£
General Administration ...	1,493,345	1,441,100	1,469,900	1,500,700
Law Courts and Jails ...	2,491,001	2,629,600	2,533,300	2,658,100
Police	2,764,249	2,866,300	2,825,400	3,230,500
Marine	335,386	464,400	407,700	421,400
Education	1,181,286	1,365,500	1,280,400	1,633,100
Ecclesiastical	113,741	123,400	120,200	125,900
Medical	861,810	971,200	921,800	986,700
Political	702,570	1,000,100	804,100	670,100
Scientific and Minor Departments.	438,499	463,900	430,700	645,000
Total	10,381,887	11,325,500	10,793,500	11,871,500

The increases in 1905–1906 under "Police," "Education," and "Scientific and Minor Departments," are mainly due to the special grants of £333,000 for Police Reform, £233,000 for Education, and £133,000 for Agriculture mentioned on page 6 above.

Miscellaneous Civil Charges.

	£
Accounts, 1903–1904	3,714,097
Budget, 1904–1905	3,593,300
Revised Estimate, 1904–1905	3,687,200
Budget, 1905–1906	3,623,100

The expenditure under this head includes Territorial and Political Pensions, Furlough and Absentee Allowances, Superannuation Allowances and Pensions, Stationery and Printing, and other miscellaneous charges. The most important figures are those relating to Civil Superannuation Allowances and Pensions, the net charge for which is as follows:—

——	India.	England.	Total.
	£	£	£
1903–1904	723,532	1,933,468	2,657,000
1904–1905 (Revised Estimate) ...	771,600	1,943,100	2,714,700
1905–1906 (Budget)	798,700	1,951,700	2,750,400

Famine Relief and Insurance.

——	Accounts, 1903–1904.	Budget, 1904–1905.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
	£	£	£	£
Famine Relief	20,351	—	8,800	211,700
Protective Railways	96,605	147,000	130,200	35,100
Protective Irrigation Works ...	144,446	233,300	217,900	380,000
Reduction or avoidance of Debt ...	644,278	546,100	643,100	373,200
Total	905,680	926,400	1,000,000	1,000,000
Add net loss on Bengal-Nagpur and Indian Midland Railways, included under Railway Revenue Account.	94,320	73,600	—	—
Grand Total	1,000.000	1,000,000	1,000,000	1,000,000

A sum of not less than £1,000,000 is annually appropriated for the purposes of Famine Relief and Insurance. When the outlay on direct famine relief is less than this sum, the balance is used (1) for the construction or maintenance of protective railways and irrigation works (the cost of which is regularly defrayed from revenue), and (2) for the construction of ordinary public works, which would otherwise require additional borrowing. The amount used for the last mentioned purpose is shown under the head of "Reduction or Avoidance of Debt."

The provision for famine relief in 1905–1906 is for expenditure in Bombay and Madras to relieve distress due to the failure of the autumn and winter rains in Gujerat and the Deccan.

Appendix II.

Notes on the main heads of Net Revenue and Expenditure.

The provision for Protective Irrigation Works has been increased in 1905–1906 to enable progress to be made with projects in Bengal, the United Provinces of Agra and Oudh, and Bombay.

Up to and including 1903–1904 the net charge for working the Bengal-Nagpur and the Indian Midland Railways was debited to the Famine Insurance Grant, because the lines were constructed as protective works, and in the Budget for 1904–1905 it was proposed to make a similar charge against the grant in that year: but it has now been decided to discontinue the practice.

Civil Works (including construction of railways charged to Provincial or Local revenues).

	£
Accounts, 1903–1904	4,118,384
Budget, 1904–1905	4,645,100
Revised Estimate, 1904–1905	4,333,800
Budget, 1905–1906	5,092,100

The increase in the Budget for 1905–1906 is mainly due to the special grant of £377,000 to District and Local Boards mentioned on page 7 above In Burma, Bengal and Bombay, provision is also made for increased expenditure on Civil Works from provincial resources.

Provincial Balances.

	Amount added to Provincial Balances and charged against the Revenue of the Year.	Expenditure defrayed from Provincial Balances instead of being charged against the Revenue of the Year.
	£	£
Accounts, 1903–1904	1,195,259	—
Budget, 1904–1905	—	1,316,800
Revised Estimate, 1904–1905	—	24,100
Budget, 1905–1906	—	1,370,300

In the Budget for 1904–1905 it was anticipated that the revenue accruing to the Provincial Governments in the year (including certain special grants made by the Government of India at the beginning of the year) would amount to £19,721,000, and that the Provincial expenditure of the year would be £21,037,800, of which £1,316,800, being the excess of Provincial expenditure over Provincial revenue, would be met from Provincial Balances, the remainder being charged against the Revenue of the year.

The revenue accruing to the Provincial Governments was, however, £20,552,800; the excess over the Budget estimate being mainly due to the grant of 50 lakhs (£333,000) to the Government of Bombay and the same amount to the Government of the Punjab in connection with the introduction of the new settlements. (*See* below.) The expenditure of the Provincial Governments amounted to £20,576,900, the saving as compared with the Budget Estimate being due to the fact that certain grants (mainly under the head of Civil Works) were not fully spent. Out of a grant of £133,000 for the extension and improvement of Simla only £8,300 was spent.

Thus, whereas it had been anticipated in the Budget that £1,316,800 would be provided from Provincial balances towards defraying the expenditure of the year, the amount so provided was only £24,100, and the Provincial adjustments were accordingly less favourable to the Government of India by £1,292,700.

In 1905–1906 it is anticipated that Provincial balances will contribute £1,370,300 towards the expenditure of the year.

Notes on the main heads of Net Revenue and Expenditure.

It was mentioned in last year's Explanatory Memorandum that in 1903–1904 new arrangements were introduced in certain provinces for regulating the financial relations between the Government of India and the Provincial Governments. Formerly the Provincial Settlements (which fixed the revenue to be enjoyed, and the expenditure to be defrayed, by Provincial Governments) were revised every five years. Under the new scheme no period of revision is prescribed, and it is intended that the assignments of revenue and expenditure shall, as far as possible, be permanent: though the Government of India necessarily reserves to itself the power to revise the settlement of any, or all, Provinces in case of need. New settlements under this scheme were made in 1903–1904 with Bengal, Madras, the United Provinces, and Assam, and in 1904–1905, as mentioned above, with Bombay and the Punjab. A new settlement will be introduced in the Central Provinces in 1905–1906 and in Burma on the expiration of the current settlement in 1906–1097.

Appendix III.

Home Charges.

APPENDIX III

Home Charges.

The following is an analysis of the Net Expenditure in England charged on the Revenue of the year :—

Net Expenditure.	Accounts, 1903-1904.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
	£	£	£
Interest and Management of Debt (excluding Interest charged in Railway Revenue Account)	2,889,490	2,932,900	2,887,700
Railway Revenue Account	6,582,650	6,659,400	6,787,900
Civil Administration: Payments on account of Departments in India, passage, outfit, &c. ..	23,862	28,700	32,000
Postal Subsidy	52,000	104,500	61,200
Telegraph: Red Sea Company's Annuity	18,027	18,000	18,000
„ Indo-European	45,662	19,400	52,300
„ Joint Purse Guarantee	—	18,400	—
Public Works: Civil Engineering College	5,098	3,700	5,900
„ Other Charges	2,987	3,000	3,400
Marine: His Majesty's ships in Indian Seas	100,023	100,200	100,200
„ Indian Government Defence Vessels	*21,000*	*4,500*	—
„ Other Charges	1,758	3,300	3,000
Indian Civil Service: Allowances to Candidates. Examinations, &c. ..	7,969	8,500	8,600
Lunatics: Maintenance	2,333	2,100	2,000
Political Charges: Persian Mission and Minor Consulates	4,106	1,300	*5,600*
„ Pensions: Territorial and Political	10,843	10,800	10,800
„ Other Charges	422	2,100	2,000
India Office: Salaries of Establishment	132,973	132,000	133,200
„ Auditor's Department	7,229	7,200	7,300
„ Store Department	26,270	25,800	24,500
„ Stationery, Postage, Telegrams, and other Charges	32,005	26,600	27,200
Army, Effective: Home Charges of British Forces serving in India (including receipt on account of Aden)	548,928	562,600	562,000
„ „ Troop Service and Transport (including receipt from War Office)	228,153	184,800	174,300
„ „ Other Charges	44,114	51,200	41,300
Stores: Civil and Public Works	336,577	342,200	298,800
„ Telegraph	168,724	150,000	233,000
„ Marine	179,401	168,500	178,400
„ Military	1,014,525	1,390,300	819,300
„ „ Reorganisation	—	700,000	1,635,600
„ Special Defences (1902)	5,361	100,000	175,000
„ Miscellaneous Charges	*3,342*	48,000	*27,700*
Furlough: Civil and Marine	238,303	221,600	250,000
„ Military	380,428	390,000	360,000
„ Telegraph and Public Works	55,502	45,000	61,500
Non-Effective Charges: Civil and Marine	1,339,531	1,354,900	1,368,000
„ Military	2,938,818	2,988,500	2,971,700
Total	17,399,730	18,801,000	19,262,800

The Expenditure in England not charged on the Revenues of the year is as follows :—

Expenditure.	Accounts, 1903-1904.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
	£	£	£
Capital outlay on construction of State Railways	1,301,774	1,509,000	2,346,000
„ „ on Irrigation Works	3,809	8,000	26,500
Total	1,305,583	1,517,000	2,372,500

APPENDIX IV.

Railways: Mileage and Traffic.

Length of railways open in India on 31st March, 1903			26,305·5 miles.
Length of railways open in India on 31st March, 1904			27,125·6 „
Additional mileage opened in 1904–1905:—			
Agra-Delhi Chord	119·9 miles		
Bengal-Nagpur	117·0 „		
Bengal and North Western ...	84·5 „		
North Western	61·8 „		
Tinnevelly-Quilon	58·5 „		
Rajputana-Malwa	32·6 „		
Moharbhanj	32·1 „		
Baraset-Basirhat	26 „		
Gwalior	25·9 „		
Oudh and Rohilkhand	25·1 „		
Jodhpur	9 „		
Other Railways	31·1 „		
Total			623·5 „
Length of railways open in India on 31st March, 1905			27,749·1 miles.

—	1902.	1903.	1904.
Number of passengers carried	196,648,000	210,230,600	229,774,600
Tons of goods carried	45,537,000	47,684,000	54,325,000

Appendix IV.

Railways.

Railways: Capital Outlay and Net Traffic Receipts.

(The Capital at charge for each line on 31st March, 1904, is calculated by deducting from the total capital outlay up to 31st March, 1904, half the outlay in 1903–1904.)

—	—	Capital at Charge, March 31st, 1904.	Net Receipts, 1903-1904.	Percentage of Net Receipts on Capital Outlay.
		£	£	
Guaranteed ...	Bombay-Baroda and Central India ...	10,880,486	544,818	5·01
	Madras	12,288,036	396,645	3·23
State	East Indian	40,511,076	3,131,398	7·73
	Rajputana-Malwa	10,489,978	720,930	6·87
	Bhopal	202,242	12,763	6·31
	Palanpur-Deesa	15,806	411	2·60
	Bengal-Nagpur	17,151,659	531,921	3·10
	Warora Colliery	100,082	11,391	11·38
	Burma	8,429,727	374,780	4·45
	Assam-Bengal	8,023,395	33,772	·42
	Jorhat	60,380	595	·98
	Eastern Bengal	10,709,017	581,060	5·42
	Bengal Central	1,017,631	33,680	3·31
	Brahmaputra-Sultanpur	183,869	9,891	5·38
	Tirhoot	3,365,083	225,264	6·69
	Oudh and Rohilkhand	12,173,015	465,393	3·82
	Indian Midland	8,455,590	258,899	3·06
	Lucknow-Bareilly Section	791,387	50,944	6·44
	Hardwar-Dehra	175,202	8,842	5·05
	North Western	38,463,475	1,705,891	4·43
	South Indian	6,870,261	464,344	6·76
	North East Line, Madras Railway ...	4,171,351	108,784	2·61
	Nilgiri	236,024	4,932	2·09
	Bezwada Extension	77,903	10,282	13·20
	Guntakal-Mysore Frontier	393,783	14,129	3·59
	Mysore	1,183,679	40,589	3·43
	Mayavaram-Mutupet	291,059	13,690	4·70
	Tinnevelly-Quilon (British Section)...	243,423	7,571	3·11
	Great Indian Peninsula	27,593,825	1,515,580	5·49
	Southern Mahratta	7,924,249	173,930	2·19
	Jodhpur - Hyderabad (British Section).	264,043	17,492	6·62
		232,736,736	11,470,611	4·93
Unopened lines, stores, &c.	... ...	2,731,588		
		235,468,324	11,470,611	4·87
Private Companies:— Government payments.	... ...	1,763,870		
		237,232,194		

APPENDIX V.

Major Irrigation Works: Capital Outlay and Net Earnings.

	Capital Outlay to end of 1903-1904.	Net Earnings (being gross receipts less working expenses).	Percentage of net Earnings on Capital Outlay.
	£	£	
Bengal :—			
Orissa Project	1,731,427	4,804	·28
Midnapore	552,903	5,287	·96
Sone	1,720,293	55,597	3·23
United Provinces :—			
Ganges	1,908,083	212,573	11·14
Lower Ganges	2,262,857	98,057	4·33
Agra	630,487	38,431	6·10
Eastern Jumna	285,313	67,567	23·68
Betwa	295,078	2,282	·77
Punjab and N.W. Frontier Province :—			
Western Jumna	1,098,329	104,156	9·48
Bari-Doab	1,265,671	170,479	13·47
Sirhind	1,571,677	126,296	8·04
Chenab	1,819,536	445,493	24·48
Jhelum	867,948	*— 3,722*	*— ·43*
North West Frontier Province :—			
Swat River	268,016	31,202	11·64
Madras :—			
Godavari Delta	772,033	161,077	20·87
Kistna Delta	926,536	130,496	14·08
Pennér-Anicut	359,385	20,246	5·63
Kurnool-Cuddapah	1,450,579	6,984	·48
Periyar Project	591,934	23,936	4·04
Rushikulya Project	302,699	2,450	·81
Bombay:—			
E. Nara Works	420,660	29,862	7·10
Mutha	459,672	15,461	3·36
Jamrao	549,060	29,344	5·34
Nira	357,830	12,951	3·62
Burma :—			
Mandalay	329,040	51	·02
Other Works	2,493,490	155,058	6·21
Total	25,290,626	1,946,418	7·70

Appendix VI.

Trade Tables.

APPENDIX VI.

TRADE TABLES.

A.—SEA-BORNE TRADE :—

I.—General Summary.

II.—Imports and Exports of Merchandise : Summary distinguishing Government transactions from transactions on Private Account.

III.—Movements of Treasure.

IV.—Analysis of Imports of Merchandise, shewing the principal articles separately.

V.—Analysis of Exports of Merchandise, shewing the principal articles separately.

VI.—Analysis of Imports of Merchandise on Private Account, shewing separately the countries of origin.

VII.—Analysis of Exports of Indian Merchandise on Private Account, shewing separately the countries of destination.

B.—LAND TRADE: Summary.

I.—*Summary of Sea-borne Trade.*

	1902–1903.	1903–1904.	1904–1905.
Imports :—	£	£	£
Merchandise	57,212,776	61,728,182	69,609,324
Treasure	16,919,237	25,684,072	26,338,783
Total	74,132,013	87,412,254	95,948,107
Exports :—			
Merchandise :—			
Indian Produce	84,266,537	100,087,754	102,863,947
Re-exports	1,997,863	2,257,019	2,275,344
Total	86,264,400	102,344,773	105,139,291
Treasure	6,438,425	10,029,254	10,952,544
Total	92,702,825	112,374,027	116,091,835
Total Imports and Exports	166,834,838	199,786,281	212,039,942
Net Exports...	18,570,812	24,961,773	20,143,728

II.—*Sea-borne Trade—Imports and Exports of Merchandise: Summary distinguishing Government Transactions from Transactions on Private Account.*

	1902–1903.	1903–1904.	1904–1905.
	£	£	£
Imports of Merchandise :—			
Private	52,525,272	56,548,862	64,457,661
Government	4,687,504	5,179,320	5,151,663
Total Imports	57,212,776	61,728,182	69,609,324
Exports of Merchandise :—			
Private	85,876,910	101,973,055	105,000,850
Government	387,490	371,718	138,441
Total Exports	86,264,400	102,344,773	105,139,291
Net Exports, Private	33,351,638	45,424,193	40,543,189
Net Imports, Government	4,300,014	4,807,602	5,013,222

III.—*Sea-borne Trade—Movements of Treasure.*

	1902–1903.	1903–1904.	1904–1905.
	£	£	£
Gold :—			
Net Imports (+) or Exports (−) on Private Account.	+6,312,842	+10,885,666	+12,075,590
Net Imports (+) or Exports (−) on Government Account.	— *469,798*	— *4,264,559*	— *5,604,999*
Total Net Imports	5,843,044	6,621,107	6,470,591
Silver :—			
Net Imports (+) or Exports (−) on Private Account.	+4,650,969	+ 4,976,928	+ 4,625,053
Net Imports (+) or Exports (−) on Government Account.	— *13,201*	+ 4,056,783	+ 4,290,595
Total Net Imports	4,637,768	9,033,711	8,915,648
Total Net Imports of Treasure	10,480,812	15,654,818	15,386,239

Appendix VI

Trade Tables.

IV.—*Sea-borne Trade—Analysis of Imports of Merchandise, shewing the principal articles separately.*

	1902–1903.	1903–1904.	1904–1905.
A. *On Private Account*—	£	£	£
1. Live Animals	296,627	357,522	395,176
2. Articles of Food and Drink :—			
Liquors	1,180,420	1,218,210	1,249,039
Provisions :—			
From United Kingdom...	505,461	544,297	560,061
From elsewhere	721.906	807,223	883,701
Total	1,227,367	1,351,520	1,443,762
Salt	414,336	424,611	474,199
Spices	565,202	548,010	688,223
Sugar (Refined) :—			
From United Kingdom	201,466	420,338	79,941
From Mauritius	1,264,882	1,692,617	1,250,130
From Austria-Hungary and Germany ...	655,401	193,670	1,155,583
From Java	314,098	684,887	1,273,400
From elsewhere	743,861	758,832	664,991
Unrefined Sugar, Molasses, and Confectionery	123,565	206,839	177,757
Total	3,303,273	3,957,183	4,601,802
Other articles	313,573	296,949	266,869
Total value of articles of Food and Drink ...	7,004,171	7,796,483	8,723,894
3. Metals and Manufactures of Metals :—			
Hardware and Cutlery :—			
From United Kingdom	928,769	1,003,734	1,049,333
From Germany	142,086	176,620	203,522
From elsewhere	261,923	371,533	344,363
Total...	1,332,778	1,551,887	1,597,218

IV.—*Sea-borne Trade—Analysis of Imports of Merchandise, shewing the principal articles separately—cont.*

A. *On Private Account—cont.*	1902–1903.	1903–1904.	1904–1905.
3. Metals and Manufactures of Metals—*cont.*	£	£	£
Machinery and Millwork :—			
From United Kingdom	1,804,489	2,116,517	2,556,262
From elsewhere	64,738	118,578	128,566
Total	1,869,227	2,235,095	2,684,828
Iron and Steel :—			
From United Kingdom	2,120,502	2,590,001	
From Belgium	984,320	1,046,665	4,107,321
From elsewhere	286,194	408,966	
Total	3,391,016	4,045,632	4,107,321
Copper	1,308,288	1,445,852	1,405,968
Other Metals	632,032	705,506	718,291
Railway Plant (other than Government Stores)	1,074,481	934,643	939,772
Total value of Metals and Manufactures of Metals :—			
From United Kingdom	7,088,816	7,779,734	
From Belgium	1,138,921	1,261,228	11,453,398
From elsewhere	1,380,085	1,877,653	
Total	9,607,822	10,918,615	11,453,398
4. Chemicals, Drugs, Medicines, Narcotics, Dyeing and Tanning Materials.	1,631,104	1,833,765	1,869,372
5. Oils	2,476,563	2,358,327	2,298,323
6. Raw materials and unmanufactured articles :—			
Jewellery	763,498	1,014,367	585,072
Silk	367,743	395,302	489,408
Other articles	1,183,280	1,183,166	1,741,548
Total	2,314,521	2,592,835	2,816,028

IV.—*Sea-borne Trade—Analysis of Imports of Merchandise, shewing the principal articles separately—cont.*

	1902–1903.	1903–1904.	1904–1905.
A. *On Private Account—cont.*	£	£	£
7. Articles manufactured and partly manufactured :—			
Cotton :—			
From the United Kingdom	19,393,756	19,474,010	25,371,114
From elsewhere	903,852	1,199,708	
Total	20,297,608	20,673,718	25,371,114
Silk	1,088,215	1,222,315	1,412,090
Wool :—			
From the United Kingdom	652,473	946,397	2,050,952
From elsewhere	284,801	493,181	
Total	937,274	1,439,578	2,050,952
Apparel (excluding hosiery and boots) :—			
From the United Kingdom	529,879	568,815	587,405
From elsewhere	512,285	575,473	675,306
Total	1,042,164	1,144,288	1,262,711
Glass and Glassware :—			
From the United Kingdom	118,019	111,948	104,769
From Austria-Hungary	232,790	249,100	334,867
From elsewhere	279,737	300,336	310,837
Total	630,546	661,384	750,473
Other articles	5,198,657	5,549,932	6,054,130
Total value of articles manufactured and partly manufactured.	29,194,464	30,691,215	36,901,470
Total value of Imports of Merchandise on Private Account :—			
From the United Kingdom	34,855,099	36,706,020	64,457,661
From elsewhere	17,670,173	19,842,842	
Total	52,525,272	56,548,862	64,457,661
B. *Government Stores*	4,687,504	5,179,320	5,151,663
Grand Total, Imports of Merchandise ...	57,212,776	61,728,182	69,609,324

V.—*Sea-borne Trade—Analysis of Exports of Merchandise, shewing the principal articles separately.*

	1902–1903.	1903–1904.	1904–1905.
A. *Indian Merchandise exported on Private Account.*	£	£	£
1. Animals, living	137,406	148,502	139,342
2. Articles of Food and Drink :—			
Coffee	880,842	911,585	1,107,317
Rice :—			
To the United Kingdom	814,231	1,047,551	13,065,154
*To Egypt	3,601,758	198,167	
To Straits Settlements	2,354,855	2,043,225	
To Ceylon	1,737,356	1,811,185	
To Japan	1,084,104	1,975,231	
To other countries	3,004,530	5,647,923	
Total	12,596,834	12,723,282	13,065,154
Wheat and Wheat flour :—			
To the United Kingdom	1,948,196	6,032,913	12,399,817
*To Egypt	676,140	53,901	
To other countries	696,211	659,079	
Total	3,320,547	7,745,893	12,399,817
Other grains and Pulse	1,069,144	1,259,376	1,935,185
Provisions	452,567	409,702	438,067
Spices	424,140	618,717	462,674
Tea :—			
To United Kingdom	4,186,004	4,726,074	5,647,948
To other countries	721,757	979,214	
Total	4,907,761	5,705,288	5,647,948
Other articles	280,702	433,002	308,748
Total, Articles of Food and Drink	23,932,537	29,806,845	35,364,910
3. Metals and Manufactures of Metals	200,538	229,897	244,855
4. Chemicals, Drugs, Dyeing Materials, &c.:			
Opium :—			
To China	4,017,450	5,186,727	5,541,040
To other countries	1,327,173	1,793,383	1,541,256
Total	5,344,623	6,980,110	7,082,296

* From the 1st April, 1903, the exports of rice and wheat to Egyptian ports "for orders" are adjusted as exports to the countries of final destination.

Appendix VI.

Trade Tables.

V.—*Sea-borne Trade—Analysis of Exports of Merchandise, shewing the principal articles separately—cont.*

A. *Indian Merchandise exported on Private Account—cont.*	1902–1903.	1903–1904.	1904–1905.
4. Chemicals, Drugs, Dyeing Materials, &c.—*cont.*			
Indigo :—	£	£	£
To the United Kingdom	147,452	131,712	126,845
To Egypt	197,388	170,727	121,067
To other countries	458,948	415,029	308,493
Total	803,788	717,468	556,405
Other articles	994,567	973,864	887,458
Total, Chemicals, Drugs, &c.	7,142,978	8,671,442	8,526,159
5. Oils	571,786	687,268	668,712
6. Raw Materials and Unmanufactured Articles :—			
Cotton :—			
To Japan	2,650,186	3,456,491	3,921,987
To Germany	1,829,912	3,096,314	2,012,954
To other countries	5,358,034	9,697,959	5,688,184
Total	9,838,132	16,250,764	11,623,125
Hides and Skins (Unprepared) :—			
To the United States	1,630,366	1,592,532	1,972,361
To other countries	2,060,946	2,298,277	2,732,765
Total	3,691,312	3,890,809	4,705,126
Jute :—			
To the United Kingdom	3,281,812	3,480,398	3,330,354
To Germany	1,478,876	1,545,320	1,741,273
To other countries	2,656,962	2,786,363	2,907,804
Total	7,417,650	7,812,081	7,979,431
Linseed :—			
To United Kingdom	1,346,185	1,349,912	1,460,231
To other countries	2,447,808	2,479,539	2,758,919
Total	3,793,993	3,829,451	4,219,150
Other seeds	6,127,721	5,847,769	5,390,221
Wood, Teak and other	547,118	721,530	484,891
Wool, raw	776,880	918,264	1,261,116
Other articles	2,530,491	2,511,897	2,609,349
Total, Raw Materials and Unmanufactured Articles.	34,723,297	41,782,565	38,272,409

V.—*Sea-borne Trade—Analysis of Exports of Merchandise, shewing the principal articles separately—cont.*

	1902–1903.	1903–1904.	1904–1905.
A. *Indian Merchandise exported on Private Account—cont.*	£	£	£
7 Manufactured and partly manufactured articles :—			
Cotton twist and yarn :—			
To China	5,304,928	5,468,537	5,990,004
To other countries	388,428	425,825	552,430
Total	5,693,356	5,894,362	6,542,434
Other cotton	978,436	1,087,177	1,218,340
Total cotton	6,671,792	6,981,539	7,760,774
Jute :—			
To the United Kingdom	573,257	516,675	
To the United States	2,093,212	2,121,267	6,625,912
To other countries	3,346,798	3,674,856	
Total	6,013,267	6,312,798	6,625,912
Hides and Skins :—			
To the United Kingdom	1,683,809	1,812,346	1,607,601
To other countries	248,315	253,571	293,544
Total	1,932,124	2,065,917	1,901,145
Lac :—			
To the United Kingdom	567,621	887,421	1,988,201
To other countries	637,409	899,226	
Total	1,205,030	1,786,647	1,988,201
Other articles	1,389,079	1,282,629	1,270,026
Total, manufactured and partly manufactured articles.	17,211,292	18,429,530	19,546,058
Total exports of Indian merchandise on Private Account :—			
To the United Kingdom	21,165,230	27,060,819	102,752,444
To other countries	62,754,604	72,695,230	
Total	83,919,834	99,756,049	102,752,444
B. *Government Stores, exports*	346,703	331,705	111,503
Total exports, Indian merchandise	84,266,537	100,087,754	102,863,947

V.—*Sea-borne Trade—Analysis of Exports of Merchandise, shewing the principal articles separately—cont.*

	1902–1903.	1903–1904.	1904–1905.
	£	£	£
C. *Re-exports—On Private Account :—*			
Cotton, wool and apparel	1,073,934	1,223,140	1,209,658
Other articles	883,141	993,866	1,038,748
D. *Re-exports—Government Stores*	40,788	40,013	26,938
Total	1,997,863	2,257,019	2,275,344
Grand Total, Exports of Merchandise	86,264,400	102,344,773	105,139,291

VI.—*Sea-borne Trade—Analysis of Imports of Merchandise on Private Account, shewing separately the countries of origin.*

Countries.	1902–03.	1903–04.	1904–05.
	£	£	£
Europe :—			
United Kingdom	34,855,099	36,706,021	42,045,579
Austria-Hungary	1,701,464	1,467,852	2,672,243
Belgium	2,061,487	2,214,308	2,346,768
France	945,516	1,078,656	1,203,474
Germany	1,441,251	1,948,063	2,488,065
Holland	412,414	502,909	399,031
Italy	557,115	636,372	827,943
Russia	1,803,882	1,663,866	1,115,144
Other countries	112,280	156,349	164,889
Total	43,890,508	46,374,396	53,263,136
Africa and adjacent Islands :—			
Egypt	202,668	387,060	404,477
Africa, British East	153,892	150,141	163,501
„ (other ports)	22,041	18,740	24,847
Mauritius	1,333,840	1,734,578	1,325,376
Other countries	4,967	12,376	43,362
Total	1,717,408	2,302,895	1,961,563

VI.—*Sea-borne Trade—Analysis of Imports of Merchandise on Private Account, shewing separately the countries of origin—cont.*

Countries.	1902–03.	1903–04.	1904–05.
	£	£	£
America :—			
Canada	—	8,887	425
South America	278	328	20,424
United States	808,661	852,474	990,494
West Indies	6,016	187	348
Total	814,955	861,876	1,011,691
Asia :—			
Aden	157,500	151,740	182,214
Arabia	438,241	482,238	471,508
Ceylon	474,500	469,918	415,201
China—Hong Kong	1,002,551	822,833	820,991
„ Treaty Ports	463,423	495,148	461,083
Japan	573,061	854,978	782,226
Persia	432,257	291,640	294,048
Straits Settlements	1,549,589	1,638,768	2,038,745
Turkey	123,986	251,528	245,240
Other countries	566,026	1,141,055	1,964,385
Total	5,781,134	6,599,846	7,675,641
Australia	321,267	409,849	545,630
Grand Total	52,525,272	56,548,862	64,457,661

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Appendix VI.

Trade Tables.

VII.—*Sea-borne Trade—Analysis of Exports of Indian Merchandise on Private Account, shewing separately the countries of destination.*

Countries.	1902–03.	1903–04.	1904–05.
	£	£	£
Europe :—			
United Kingdom	21,165,230	27,060,820	28,237,781
Austria-Hungary	2,132,500	3,194,723	2,832,265
Belgium	3,301,660	5,107,961	5,496,837
France	6,091,940	6,589,897	6,295,240
Germany	6,775,719	9,864,671	8,979,953
Holland	539,302	1,232,473	1,146,688
Italy	2,264,204	3,300,602	2,816,459
Russia	256,866	518,800	350,187
Spain	391,196	852,115	786,186
Other Countries	141,352	298,836	324,416
Total	43,059,969	58,020,898	57,266,012
Africa and adjacent Islands :—			
Egypt	5,131,132*	858,502*	2,485,069*
Africa, East (British)	333,062	332,164	382,611
„ „ (Portuguese)	167,322	283,152	131,855
„ „ (other Ports)	165,443	210,416	337,760
Mauritius	716,463	769,384	755,309
Réunion	120,305	129,519	57,863
Other Countries	798,254	630,830	588,288
Total	7,431,981	3,213,967	4,738,755
America :—			
Canada	170,806	263,095	383,880
South America	1,079,523	1,439,839	1,807,494
United States	5,668,045	6,020,077	6,473,641
West Indies	221,555	265,688	253,775
Other Countries	53,059	53,933	41,146
Total	7,192,988	8,042,632	8,959,936

* From 1st April, 1903, the exports of rice, wheat, &c., to Egyptian ports "for orders" are adjusted as exports to the countries of final destination on receipt of information from the shippers. In the figures given above such adjustments have been made for exports of rice up to January, 1905, inclusive, and for exports of wheat up to and for March, 1905.

VII.—*Sea-borne Trade—Analysis of Exports of Indian Merchandise on Private Account, shewing separately the countries of destination—cont.*

Countries.	1902-03.	1903-04.	1904-05.
	£	£	£
Asia :—			
Aden...	610,365	1,002,020	862,086
Arabia	741,622	705,313	989,321
Ceylon	2,937,383	3,053,594	3,297,083
China, Hongkong	6,205,129	7,231,977	7,601,556
„ Treaty Ports	4,366,756	4,685,012	5,351,630
Japan	3,889,792	5,626,258	6,478,268
Persia	422,391	314,378	345,210
Straits Settlements	5,025,303	4,804,568	4,166,931
Turkey	465,602	682,387	690,370
Other Countries	612,109	1,113,124	868,973
Total	25,276,452	29,218,631	30,651,428
Australia	958,444	1,259,921	1,130,574
Grand Total	83,919,834	99,756,049	102,746,705

VIII.—*Land Trade: Summary.*

Countries.		1902-1903.	1903-1904.	1904-1905. (First 9 months only.)
		£	£	£
Afghanistan	Imports	323,152	434,834	441,289
	Exports	542,080	565,937	731,530
Kashmir	Imports	742,264	924,378	1,003,015
	Exports	787,341	807,059	632,129
Nepal	Imports	1,743,907	1,795,686	999,377
	Exports	955,386	912,617	603,228
Shan States	Imports	584,303	699,462	529,660
	Exports	564,192	524,167	432,419
Other Countries	Imports	1,187,107	1,356,733	953,356
	Exports	1,050,045	1,156,555	884,051
Total	Imports	4,580,733	5,211,093	3,926,697
	Exports	3,899,044	3,966,335	3,283,357

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EAST INDIA: ACCOUNTS AND ESTIMATES, 1907-1908.

EXPLANATORY MEMORANDUM

BY THE

SECRETARY OF STATE FOR INDIA.

Presented to both Houses of Parliament by Command of His Majesty.

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Memorandum by the Secretary of State for India, relating to the Accounts of the Government of India for 1905–1906, and the Estimates for 1906–1907 and 1907–1908.

Form of Accounts and Estimates.

In the "Financial Statement" of the Government of India, which is annually presented to Parliament (*see* H. of C.140 of 1907), the Accounts and Estimates are prepared so as to shew the transactions in India in rupees; the rupee figures are then converted into pounds at the rate of £1 to 15 rupees; the sterling transactions in England are next stated; and the last two sets of figures are added together, so as to shew in pounds the combined transactions in India and in England. The comparatively small addition or deduction that has to be made on account of the facts that the remittances from India to England are not effected at exactly 16 pence to the rupee, and that the Government is under obligations to carry out certain transactions with railway companies at specified rates differing from the rate of 16 pence to the rupee, is shewn in a single line, under the head of Exchange.

Gross Revenue and Expenditure.

The Gross Revenue and Expenditure of the Government of India for the three years to which this Memorandum refers are as follows:—

Gross Revenue and Expenditure.	* Accounts, 1905–1906.	Revised Estimate, 1906–1907.	Budget, 1907–1908.
	£	£	£
Revenue	73,327,957	75,626,900	75,012,800
Expenditure	71,236,103	74,300,800	74,238,100
Surplus	2,091,854	1,326,100	774,700

In these figures all receipts are included in the total of revenue and all outlay in the total of expenditure, with the one exception (first made in the Financial Statement of the Government of India for the present year) that the working expenses of railways are treated not as expenditure but as a deduction from revenue.

Net Revenue and Expenditure.

The figures of Gross Revenue just given include the net traffic receipts of railways, without any deduction on account of interest charges, and the total receipts derived from the other commercial undertakings of the Government of India (*i.e.* Irrigation Works, Post Office, and Telegraphs) and from the sale of Opium: while the figures of Gross Expenditure include the interest charges of railways, the working expenses and interest charges of other commercial undertakings, and the cost of cultivation of opium. This method of compiling the figures causes the revenue available for administrative purposes, and the expenditure on such purposes, to appear much greater than they really are; and it has accordingly been the practice for some years to present to Parliament an annual statement of Net Income and Expenditure (*see* H. of C. 119 of 1907), in which the net revenue derived from commercial undertakings and opium is shewn instead of the gross revenue, and similar adjustments are made under other heads of revenue and expenditure by deducting (1) refunds and assignments from the gross yield of land revenue, taxation, &c., and (2) the receipts of certain spending departments from the gross expenditure incurred by them. In the following table the Net Revenue and Expenditure for 1905–6, 1906–7, 1907–8, are calculated in the same manner as in the annual Parliamentary return last mentioned.

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Table of Net Revenue and Expenditure.

Net Revenue.

Net Revenue.	Accounts, 1905–1906.		Budget, 1906–1907.		Revised Estimate, 1906–1907.		Budget, 1907–1908.	
	£	£	£	£	£	£	£	£
I. Land Revenue, &c.:								
1. Land Revenue	18,129,572		19,027,700		19,173,600		19,545,200	
2. Forest	1,775,124		1,787,000		1,798,100		1,886,700	
3. Tributes from Native States.	396,867		412,100		413,500		403,600	
		20,301,563		21,226,800		21,385,200		21,835,500
II. Opium		3,572,944		2,956,300		3,687,400		3,042,700
III. Taxation:								
1. Salt	4,109,939		4,136,800		4,021,200		3,023,300	
2. Stamps	3,876,326		3,928,300		3,977,500		4,121,600	
3. Excise	5,631,395		5,766,100		5,850,000		6,154,500	
4. Provincial Rates... ...	2,792,257		2,257,400		2,284,800		2,327,400	
5. Customs	4,258,366		4,370,200		4,192,100		4,499,100	
6. Assessed Taxes	1,314,678		1,335,700		1,403,400		1,425,100	
7. Registration	361,135		353,800		382,700		390,200	
		22,344,096		22,148,300		22,111,700		21,941,200
IV. Commercial Undertakings:								
1. Post Office	75,541		126,200		166,100		105,900	
2. Telegraph	*—166,635*		*—216,900*		*—182,700*		*—88,200*	
3. Railway Revenue Account	2,001,966		2,229,300		2,157,800		2,149,700	
4. Irrigation	126,231		257,100		597,700		368,200	
		2,037,103		2,395,700		2,738,900		2,535,600
V Mint		201,104		62,600		254,600		94,500
VI. Exchange		82,870		40,000		193,300		133,300
Total Net Revenue ...		48,539,680		48,829,700		50,371,100		49,582,800

Net Expenditure.

Net Expenditure.	Accounts, 1905–1906.		Budget, 1906–1907.		Revised Estimate, 1906–1907.		Budget, 1907–1908.	
	£	£	£	£	£	£	£	£
I. Debt Services (excluding interest payments chargeable to Railways and Irrigation).		464,949		425,800		386,800		100,800
II. Military Services:								
1. Army	18,077,434		18,782,200		18,716,800		18,287,100	
2. Military and Special Defence Works.	1,191,905		1,353,600		1,217,200		1,356,000	
		19,269,339		20,135,800		19,934,000		19,643,100
III. Collection of Revenue ...		5,470,083		5,782,900		5,677,900		5,993,200
IV. Civil Services:								
1. Civil Departments ...	11,707,890		12,749,400		12,692,500		13,296,100	
2. Miscellaneous Civil Charges	3,636,580		3,712,800		3,677,800		3,847,400	
3. Civil Works, including Construction of Railways charged to Local or Provincial Revenues.	4,874,991		5,226,500		5,062,500		5,370,800	
		20,219,461		21,688,700		21,432,800		22,514,300
V. Famine Relief and Insurance		1,000,000		1,000,000		1,000,000		1,000,000
VI. Provincial adjustments:								
1. Charge against Revenue of the Year arising from increase of Provincial Balances.		23,994		—		613,500		—
2. Diminution of charge against Revenue of the Year owing to Expenditure being met from Provincial Balances.		—		*-1,077,600*		—		*—443,300*
Total Net Expenditure charged against Revenue.		46,447,826		47,955,600		49,045,000		48,808,100
Surplus		2,091,854		874,100		1,326,100		774,700

Accounts, 1905–6.

It will be seen from the table that the surplus shown in the final accounts for 1905–6 is £2,091,854 ; this is greater by £336,154 than the surplus shown in the Revised Estimate published in March 1906.

Revised Estimate, 1906–7.

The Revised Estimate for 1906–7 shews, as compared with the Budget for that year, an increase of £1,541,400 in net revenue, and of £1,089,400 in net expenditure. The surplus is accordingly greater by £452,000

The improvement of £1,541,400 in the net Revenue is due to the following increases and decreases under the several heads :—*Increases*: Opium, £731,100, Irrigation £340,600, Mint £192,000, Exchange £153,300, Land Revenue £145,900, other heads £343,700. *Decreases* : Customs £178,100, Salt £115,600, Railways £71,500.

The *increase* of £1,089,400 in the net Expenditure is the result of considerable increases and decreases under various heads. The *decreases* occurred under Civil Works £164,000, Military Works and Special Defence Works £136,400, Education £106,400, Collection of Revenue, £105,000, other heads £374,200. There were various minor *increases* amounting to £284,300, but the most important was under Provincial Adjustments. In the Budget for 1906–07 it was assumed that of the total expenditure of the year, £1,077,600 would be contributed from Provincial balances. This expectation was not realised. The share of revenue accruing to the Provincial Governments was larger than had been anticipated, their expenditure was less, and in addition large special grants were made to them during the year by the Government of India. Consequently their balances were increased by £613,500, instead of being drawn upon for £1,077,600, so that under the head "Provincial Adjustments" there is a net increase of £1,691,100 in the expenditure charged against the revenue of the year.

Budget, 1907–8.

In preparing the Budget for 1907–8 the Government of India have, with the sanction of the Secretary of State in Council, made provision for the following special measures :—

1. *Reduction of the Salt Tax.*—This tax has been levied at a uniform rate throughout practically the whole of India (except Burma and Aden) since 10th March 1882. The rates in force from that date up to the time of the present remission have been as follows :—

	Per maund of $82\frac{2}{7}$ lbs.
10th March, 1882, to 18th January, 1888	2 rupees.
19th January, 1888, to 17th March, 1903	$2\frac{1}{2}$ „
18th March, 1903, to 21st March, 1905	2 „
22nd March, 1905, to 19th March, 1907	$1\frac{1}{2}$ „

With effect from 20th March, 1907, the rate has been reduced to 1 rupee per maund. This reduction makes the rate uniform throughout India and Burma, except in regard to salt produced in the small state of Mandi in the Punjab, where the duty will be 3 annas (3*d.*) per maund.

The cost of this measure is estimated at £1,266,700 a year, but it is anticipated that a portion of the loss will be made up by increased consumption.

2. *Alteration of Postal Rates.*—Since April, 1905, the rates for Inland Letters have been as follows :—

Weight not exceeding $\frac{3}{4}$ tola (·3 oz.)	$\frac{1}{2}$ anna ($\frac{1}{2}d.$)
„ „ $1\frac{1}{2}$ tolas (·6 oz.)	1 „ (1*d.*)
Every additional $1\frac{1}{2}$ tolas or fraction thereof ...	1 „ (1*d.*)

The weight to be carried for a halfpenny is to be raised to 1 tola (·4 oz.) and the weight to be carried for a penny to 3 tolas (1·2 ozs.)

In regard to the Foreign Post, the Government of India have decided to conform to the scale approved at the recent Postal Convention. The weight carried for 1 anna (1*d.*) within the Empire will

thus be one ounce instead of half an ounce as hitherto. For letters outside the Empire an ounce (instead of half an ounce) will be carried for 2½ annas (2½*d.*), and an additional 1½*d.* will cover each ounce after the first.

The cost of these reductions, which will take effect from the 1st October, 1907, is estimated at about £146,000 a year.

3. *Grants to Provincial Governments for Expenditure on Police.*—In accordance with the recommendations of a Commission appointed in India to report on the organisation of the Police, it was decided in 1905 to introduce certain changes in the pay, numbers, and grading of the force with a view to increasing its efficiency. In all Provinces in India with which Provincial settlements have been made, the Police charges are borne by the Provincial Governments; and, in order to enable them to defray the cost of part of the proposed improvements, the Government of India provided in the Budget for 1905–6 grants amounting to £333,000, and announced that the amount would be increased in future years so as to enable further reforms to be carried out. In 1906-7 the grants were increased to £500,000. In the Budget for 1907–8 the amount has been raised to £703,000, or more than two-thirds of the total additional annual expenditure in contemplation.

After provision has been made for the measures mentioned above the net revenue and expenditure for 1907–8 are estimated as follows :—

	£
Net Revenue	49,582,800
Net Expenditure	48,808,100
Surplus	774,700

As compared with the Revised Estimate for the previous year these figures shew a decrease of £788,300 in net revenue, and of £236,900 in net expenditure, and accordingly a diminution of £551,400 in the surplus.

The decrease of £788,300 in the net revenue is explained in detail as follows :—

	£	£
Decreases are anticipated in—		
Salt (owing to reduction of the Salt Tax mentioned above)	997,900	
Opium (owing to a reduction in the number of chests to be sold, and in the estimated yield per chest)	644,700	
Irrigation (the receipts in 1906–7 having been exceptionally high)	229,500	
Mint (the rupee coinage, on which a seigniorage of 2 per cent. is credited to Mint, having been abnormally heavy in 1906–1907)	160,100	
Post Office, Exchange, Tributes, and Railways	138,200	
Total decreases in revenue		2,170,400
Increases are anticipated in—		
Land Revenue (chiefly in the United Provinces, Burma, and Bengal)	371,600	
Customs (mainly in duties on rice, spirits, and cotton manufactures)	307,000	
Excise	304,500	
Stamps	144,100	
Telegraph, Forest, Provincial Rates, Assessed Taxes, and Registration	254,900	
Total increases in revenue		1,382,100
Net decrease of Revenue		788,300

The details of the decrease of £236,900 in the net Expenditure are as follows:—

	£	£
Increases are anticipated in—		
Charges for Collection of Revenue (chiefly in Land Revenue charges, which include the cost of District Administration)	315,300	
Civil Works (partly owing to special permanent grants made to District and Local Boards in past two years)	308,300	
Police (owing to special grants of £500,000 not having been fully spent in 1906–1907, and to additional grant of £203,000 mentioned above)	268,900	
Education	216,100	
Military Works and Special Defence Works	138,800	
Scientific and Minor Departments	121,200	
Other heads	317,100	
Total increases in Expenditure ...	———	1,685,700
Decreases are anticipated in—		
Provincial Adjustments (owing to payments by Provincial Governments from their balances towards the expenditure of the year)	1,056,800	
Army Services (owing to smaller outlay for re-organisation purposes)	429,700	
Debt Services (owing to transfer of interest charges from Ordinary Debt to Public Works Debt)	286,000	
Other heads	150,100	
Total decreases of Expenditure ...	———	1,922,600
Net decrease of Expenditure		236,900

Debt.

In 1905–1906 a loan of 4 crores of rupees (£2,666,700) was issued in India at an average price of 98·8 per cent. In England £2,000,000 3 per cent Stock was offered for tender at a minimum price of 97. The average price obtained was £97 18*s.* 1*d.* Of the proceeds of this loan £250,000 was used for the discharge of debentures of the Great Indian Peninsula Railway, £500,000 for the purchase of the Bengal Central Railway (on the 30th June, 1905), and the remainder for advances to railway companies and capital expenditure on State railways. As part of the purchase price of the Bombay, Baroda, and Central India Railway, which was acquired by the Secretary of State as from the 31st December, 1905, £10,089,146 India 3 per cent. Stock was created and issued to the Company. The £500,000 sterling bills which were outstanding on the 1st April, 1905, were discharged without replacement.

In 1906–1907 a loan of 4½ crores of rupees (£3,000,000) was issued in India at an average price of 97·3 per cent. In England £2,000,000 3 per cent. Stock was offered for tender at a minimum price of £94 10*s.* per cent. The average price obtained was £94 16*s.* 5*d.* Of the proceeds of this loan £749,900 was used for the discharge of debentures of the Bombay, Baroda, and Central India Railway Company, and the remainder for advances to railway companies.

In the Budget for the current year it was proposed to issue for Public Works expenditure a loan of 3 crores of rupees (£2,000,000) in India, and a loan of £3,500,000 in England. The loan in England was issued early in May, 1907, in the form of India 3½ per cent. Stock, subscribed at a fixed price of £98 10*s.* per cent. Of the proceeds, £567,000 will be used for the discharge of debentures of the Bombay, Baroda, and Central India Railway Company, and the remainder for capital expenditure on State railways and advances to railway companies.

Railways.

On the 31st of March, 1907, the length of Railways in India open for traffic was 29,571 miles, of which 952 were opened in 1906–7. The mileage under construction or sanctioned for construction was 2,873 miles, of which 520 were sanctioned in 1906–7.

The capital expenditure on Railways shewn in the Accounts for 1905–6 and Estimates for 1906–7 and 1907–8 is as follows :—

	Accounts, 1905–1906.	Revised Estimate, 1906–1907.	Budget, 1907–1908.
Expenditure not charged to Revenue :—	£	£	£
State railways (from money provided by State).	7,922,200	7,934,000	4,565,100
State railways (from money raised through Companies).	1,488,000	—	2,650,000
Old guaranteed Companies	*—825,500*	255,900	306,500
Other guaranteed or assisted Companies	463,200	1,589,000	1,562,300
Branch lines on firm guarantee	200	300	2,000
Local Boards	26,700	63,300	40,000
Expenditure charged to Revenue	62,500	9,000	4,400
Total outlay by Government or with Government assistance.	9,137,300	9,851,500	9,130,300
Branch lines not on firm guarantee ...	46,300	56,800	13,900
Total	9,183,600	9,908,300	9,144,200

The net traffic receipts in 1905–6 of open lines in which the Government is directly interested were 5·45 per cent. on the capital cost. Details relating to the several lines will be found on page 29 below.

The Railway Revenue Account shewed in 1905–6 a net receipt of £2,002,000, and in 1906–7 of £2,157,800. In the Budget for 1907–8 the net receipt is taken at £2,149,700. These results are arrived at after charging in the Account not only all interest charges but also the following payments in redemption of capital which are made partly through sinking funds and partly through the annuities created for the purchase of railways, viz. :—

	£
In 1905–6	727,695
In 1906–7	752,041
In 1907–8	777,398

During the year 1906–7 an agreement was made with the Kalka-Simla Railway Company under which the line was purchased by the Secretary of State as from the 1st January, 1906, the purchase price being £300,000.

Notice has been given by the Secretary of State of his intention to purchase the Madras Railway on 31st December, 1907.

Irrigation Works.

The outlay on the construction of Major Irrigation Works incurred during the last two years and estimated to be incurred in the present year is as follows :— 1905–1906, £797,300 ; 1906–1907 (Revised Estimate), £1,135,300 ; 1907–1908 (Budget), £1,265,700. The allotment for 1907–1908 includes grants of £255,000 for the Upper Chenab Canal, £153,300 for the Upper Jhelum Canal, and £401,300 for various protective projects. Of the gross expenditure on minor works, amounting to £941,100 in 1905–1906, £905,400 in 1906–1907 (Revised Estimate), and £1,002,100 in 1907–1908 (Budget), a considerable portion is devoted to the construction of new works ; this expenditure is charged against the revenue of the year in which it is incurred.

The following table shews the total capital expenditure on Major Irrigation Works, and the net receipts :—

—	Capital Expenditure to End of the Year, excluding indirect charges.	Net Receipts during the Year (being gross receipts, *less* working expenses and interest charges).
	£	£
1905–1906	26,648,900	898,600
1906–1907 (Revised Estimate) ...	27,784,100	1,315,800
1907–1908 (Budget)	29,049,800	1,195,900

Liabilities and Assets.

On the 31st of March, 1907, the debt of India amounted to £234,487,975 (viz. :—rupee debt, converted into sterling at 1*s.* 4*d.* the rupee, £86,969,341, and sterling debt, £147,518,634). There were also other obligations of the Government of India, including Savings Bank balances, Judicial and Departmental deposits, balances of Service Funds, &c., amounting to £19,017,995.

Up to the same date the Government of India had devoted £103,646,232 to the construction of Railways, and £27,784,100 to the construction of Irrigation Works. It had purchased from guaranteed companies (in some cases by cash payments, in others by annuities,* and in one case by the direct issue of India stock to the company) eight railways, on which, at the time of purchase, £95,687,215 had been spent from capital raised by the companies. It had lent £11,974,977 (net) to Native States, Corporations, Agriculturists, &c., and had advanced £11,078,061 (net) to Railway Companies. Other assets were the Gold Standard Reserve, on account of which £12,518,513 had been invested, and £4,000,000 was held in the form of rupees, the cash balances in India, £10,320,000, and the cash balances in England, £5,606,594.

Exchange and Remittance.

The sale by the Secretary of State in Council of bills and telegraphic transfers on India during the last three years has been as follows :—

	£		
1904–5 ...	24,425,558	at an average rate of	1*s.* 4·045*d.* per rupee.
1905–6 ...	31,580,453	„ „	1*s.* 4·0427*d.* „
1906–7 ...	33,418,715	„ „	1*s.* 4·0837*d.* „

The sales in 1905–1906 and 1906–1907 include £3,640,000 and £3,820,000, respectively, for telegraphic transfers on India against shipments of sovereigns from Australia and Egypt consigned to the Secretary of State in London.

Gold Standard Reserve.

In accordance with a recommendation made by the Indian Currency Committee, it was decided that, with effect from 1st April, 1900, the net profit from the coinage of rupees should not be treated as revenue, but should be held as a special reserve. This profit amounted to £3,031,294 in 1900–1901, £415,100 in 1901–1902, £264,028 in 1902–1903, £2,627,575 in 1903–1904, £1,790,380 in 1904–1905, £3,488,700 in 1905–1906, and £3,986,700 in 1906–1907. The whole of the profit realised in the years 1900–1901 to 1904–1905, and the greater part of the profit realised in 1905–1906, was remitted to England and

* The annuities now outstanding are :—East Indian Railway Annuity, £1,145,288 (of which £294,750 is deferred under the existing contract for working the line), running to 14th February, 1953 ; Eastern Bengal Railway Annuity, £116,851, running to 31st July, 1957 ; Scinde Punjab and Delhi Railway Annuity, £371,361, running to 31st December, 1958 ; and Great Indian Peninsula Railway Annuity, £1,268,516, to 17th August, 1948.

invested in British Government securities. The interest on the securities has been invested as received. It was decided in 1906–1907 to hold £4,000,000 of the reserve in the form of rupees, to be used, if necessary, for meeting an exceptionally heavy demand by the public for rupees. This decision involved the cessation during 1906–1907 of the purchase of securities, except that the interest on existing investments was applied, as before, to this purpose. The £4,000,000 to be held in rupees has now been accumulated, and the purchase of securities from the profit on coinage has been resumed. The amount invested up to the 31st March, 1907, was £12,518,513, and the securities purchased were as follows :—£7,903,132 2½ per cent. Consolidated Stock, £1,377,121 National War Loan 2¾ per cent. Stock, £500,000 Local Loans 3 per cent. Stock, £1,494,324 Transvaal Government 3 per cent. Guaranteed Stock, £538,720 Guaranteed 2¾ per cent. Stock, and £1,500,000 Treasury Bills.

In consequence of the change in the composition of the reserve, its designation has been altered from "Gold Reserve Fund" to "Gold Standard Reserve."

Home Charges.

The net Expenditure in England chargeable to Revenue was £17,666,232 in 1905–1906, £18,565,400 in the Revised Estimate for 1906-1907, and £17,783,200 in the Budget for 1907–1908. The last-named amount is thus divided :—

	£
Interest and Management of Debt, and payment of Interest and Annuities on account of Railways	9,791,900
Payments in connection with Civil Departments in India ...	301,300
India Office, including Auditor's and Store Departments ...	220,100
Army Effective Charges	752,600
Stores of all kinds charged against revenue	1,526,300
Furlough Allowances	784,000
Non-Effective Charges	4,407,000
Total	17,783,200

Besides this, the outlay on stores, &c., for the construction of State Railways and Irrigation Works was £2,081,254 in 1905–1906, and is estimated at £2,666,100 in 1906–1907, and £3,656,600 in 1907–1908.

Seaborne Trade.

The following figures show the Exports from, and Imports into, India during the last three calendar years :—

	1904.	1905.	1906.
	£	£	£
Exports of Merchandise	107,362,695	105,084,097	113,832,608
Imports „	68,549,860	72,690,832	78,037,217
Net Exports of Merchandise	38,812,835	32,393,265	35,795,391
Net Imports of Gold	5,895,523	3,067,087	7,178,819
Net Imports of Silver	10,552,007	7,489,564	17,747,360
Net Imports of Treasure	16,447,530	10,556,651	24,926,179
Balance : Net Exports	22,365,305	21,836,614	10,869,212

Burden of Taxation.

	Accounts 1905–1906.	Revised Estimate, 1906–1907.	Budget, 1907–1908.
	£	£	£
Salt	4,109,939	4,021,200	3,023,300
Stamps	3,876,326	3,977,500	4,121,600
Excise	5,631,395	5,850,000	6,154,500
Provincial Rates	2,792,257	2,284,800	2,327,400
Customs	4,258,366	4,192,100	4,499,100
Assessed Taxes	1,314,678	1,403,400	1,425,100
Registration	361,135	382,700	390,200
Total	22,344,096	22,111,700	21,941,200
According to the census taken in March, 1901, the population of British India was 231,085,000. On this basis, and allowing for an increase of population at the rate of one-half per cent. per annum, the payment per head, on the assumption that the whole of the taxation, including that on Salt, Excise, and Customs, is paid by the inhabitants of British India, is ...	*s. d.* 1 10¾	*s. d.* 1 10¾	*s. d.* 1 10
If the payment of Land Revenue be added, the average becomes...	3 5	3 5¾	3 5¾

JOHN MORLEY.

India Office,
8 May, 1907.

Appendix I.

Notes on the main heads of Net Revenue and Expenditure.

APPENDIX I.

Notes on the main heads of Net Revenue and Expenditure.

NET REVENUE.

Land Revenue.

	£
Accounts, 1905–1906	18,129,572
Budget, 1906–1907	19,027,700
Revised Estimate, 1906–1907	19,173,600
Budget, 1907–1908	19,545,200

In 1905–1906 agricultural conditions were unfavourable in parts of Bombay, the Punjab, and the United Provinces, and large amounts of land revenue were remitted or suspended.

The Budget Estimate for 1906–1907 anticipated a marked improvement over the results of 1905–1906, and, although agricultural prospects were not promising at the beginning of the year, this expectation has been fully realised. Except in a few eastern districts harvests have been good over the whole of India. The improvement was greatest in Bombay (£465,700), the United Provinces (£193,100), the Punjab (£186,200), and Madras (£118,200). In Burma, mainly in consequence of floods in some districts, the expansion of the revenue (£58,300) was not so rapid as was expected.

The harvest prospects for 1907–1908 are excellent, and increased collections of land revenue are anticipated in every province except Bombay, where a considerable portion of the amounts suspended in previous years was collected in 1906–1907. The largest increases expected are in the United Provinces (£161,100) and Burma (£159,000).

Forest.

	£
Accounts, 1905–1906...	1,775,124
Budget, 1906–1907	1,787,000
Revised Estimate, 1906–1907	1,798,100
Budget, 1907–1908	1,886,700

More than one-third of the total revenue under this head is obtained in Burma. The gross receipts in this province are as follows:—Accounts 1905–1906, £688,700; Revised Estimate, 1906–1907, £666,700; Budget 1907–1908, £720,000.

Tributes.

	Accounts, 1905–1906.	Budget, 1906–1907.	Revised Estimate, 1906–1907.	Budget, 1907–1908.
	£	£	£	£
Receipts	597,430	609,100	614,100	598,500
Assignments and Compensations, and Refunds and Drawbacks.	200,563	197,000	200,600	194,900
Net Revenue	396,867	412,100	413,500	403,600

The most important of the receipts under this head is the tribute of £233,000 from Mysore; the most important of the "assignments and

compensations" is the payment of £167,000 to the Nizam of Hyderabad under the arrangement for the administration of Berar.

Opium.

	Accounts, 1905–1906.	Budget, 1906–1907.	Revised Estimate, 1906–1907.	Budget, 1907–1908.
	£	£	£	£
Receipts	5,468,780	4,831,100	5,607,700	4,851,100
Charges	1,895,836	1,874,800	1,920,300	1,808,400
Net Receipts	3,572,944	2,956,300	3,687,400	3,042,700

The Opium revenue is collected in different ways in different parts of India. In certain districts of Bengal and the United Provinces the poppy is cultivated under a system of advances by the Government, who manufacture the drug for sale by auction at Calcutta. About seven-eighths of the total revenue is obtained from these sales. The bulk of the remainder is derived from a pass duty levied on each chest of opium despatched from the group of Native states known as Malwa. The opium expenditure consists chiefly of payments to the cultivators in Bengal.

Towards the end of 1905–1906 the prices obtained at the Calcutta sales fell considerably, and in framing the Budget for 1906–1907 the Government of India allowed for a large reduction in the receipts from Bengal opium. The prices realised have, however, exceeded expectation, the average obtained being Rs. 1391 per chest against Rs. 1125 assumed in the Budget. On the other hand, the exports of Malwa opium were even lower than in 1905–1906.

A large reduction is anticipated in the receipts in 1907–1908 because, in view of negotiations with the Chinese Government, the sales of Bengal opium, which were at the rate of 4,400 chests a month during 1906–1907, will be reduced to 4,000 chests a month in July, 1907. It has also been thought prudent to take the average price at a somewhat lower figure than in 1906–1907. On the other hand, the payments to the cultivators will be somewhat less in 1907–1908 in consequence of indifferent reports as to this season's crop and of the restriction of the area to be sown next season in Bengal.

Statistics are appended :—

	Bengal.		Bombay.		Chests of Bengal Opium produced.	Payments to Cultivators, including purchase of Opium.
	Chests sold.	Average price.	Chests of Malwa Opium passed for Export.	Rate of Duty per Chest.		
		Rs.		Rs.		£
Accounts, 1904–1905 ...	48,000	1,587	18,821	500 and 600	50,000	1,795,022
Accounts, 1905–1906 ...	49,200	1,434	14,235	600	55,500	1,720,964
Budget, 1906–1907 ...	52,800	1,125	16,500	600	—	1,690,700
Revised Estimate, 1906–1907.	52,800	1,391	12,458	600	48,750	1,750,700
Budget, 1907–1908 ...	49,200	1,250	13,292	600	—	1,630,700

Appendix I.

Notes on the main heads of Net Revenue and Expenditure.

Salt.

	£
Net Receipts, 1902–1903	5,931,933
„ „ 1903–1904	4,981,704
„ „ 1904–1905	5,093,466
„ „ 1905–1906	4,109,939
„ „ 1906–1907, Revised Estimate...	4,021,200
„ „ 1907–1908, Budget	3,023,300

The decreases in 1903–1904, 1905–1906, and 1907–1908 are due to the successive reductions in the rate of duty (*see* page 5 above). These reductions have been followed by a marked increase of consumption. The following figures show the consumption of salt in India, including Burma :—

In 1902–1903	36,663,409	maunds of 82⅔ lbs.
In 1903–1904	37,592,000	„ „
In 1904–1905	39,378,000	„ „
In 1905–1906	40,729,000	„ „
In 1906–1907	41,500,000	„ „
In 1907–1908 (estimated)... ...	43,400,000	„ „

Stamps.

	£
Accounts, 1905–1906...	3,876,326
Budget, 1906–1907	3,928,300
Revised Estimate, 1906–1907	3,977,500
Budget, 1907–1908	4,121,600

About two-thirds of the revenue is derived from court fee stamps and the remainder from commercial and other stamps. The improvement in 1906–1907 was shared by all the provinces except Bombay and the Central Provinces.

Excise.

	£
Accounts, 1905–1906...	5,631,395
Budget, 1906–1907	5,766,100
Revised Estimate, 1906–1907	5,850,000
Budget, 1907–1908	6,154,500

The Excise Revenue has been steadily expanding since 1897–1898, when the net receipts were only £3,609,400. In 1906–1907 the increase was greatest in Madras (£92,400), Bengal (£54,800), and Bombay (£42,200). There was a decline of £40,100 in Burma and of about the same amount in the United Provinces. The improvement anticipated in 1907–1908 is shared by all provinces.

Provincial Rates.

	£
Accounts, 1905–1906...	2,792,257
Budget, 1906–1907	2,257,400
Revised Estimate, 1906–1907	2,284,800
Budget, 1907–1908	2,327,400

Village service cesses amounting to £547,900 a year were abolished in April, 1906, and the reduction shewn in 1906–1907 is due to this cause.

Customs.

	£
Accounts, 1905–1906...	4,258,366
Budget, 1906–1907	4,370,200
Revised Estimate, 1906–1907	4,192,100
Budget, 1907–1908	4,499,100

Appendix I.

Notes on the main heads of Net Revenue and Expenditure.

The gross receipts during the past three years, and the budget figures for the current year, are as follows :—

	Accounts, 1904-1905.	Accounts, 1905-1906.	Budget, 1906-1907.	Revised Estimate, 1906-1907.	Budget, 1907-1908.
	£	£	£	£	£
Cotton Manufactures	811,300	886,000	900,000	856,700	900,000
Excise duty on Cotton Goods ...	158,800	180,400	200,000	183,300	193,300
Rice (export duty)	879,000	767,400	800,000	680,000	783,300
Liquors	554,700	649,300	647,300	566,100	668,000
Silver Bullion and Coin ...	274,100	195,600	200,000	276,700	246,700
Other Metals and Manufactures of Metals.	230,900	205,200	220,000	228,300	233,300
Other Manufactured Articles ...	544,000	551,900	566,700	556,700	563,300
Petroleum	305,900	244,300	243,300	246,700	246,700
Other Articles	603,100	667,900	686,900	712,600	760,900
Total	4,361,800	4,348,000	4,464,200	4,307,100	4,595,500

The most important variations in 1906–1907 and 1907–1908 occur in the receipts from spirits, rice, cotton manufactures, and silver, and are mainly due to the following causes :—

The duty on imported spirits and liqueurs was raised from Rs. 6 to Rs. 7 per proof gallon with effect from the 26th February, 1906, by an Act passed on the 26th January, 1906. The announcement led to large imports and withdrawals from bond for the purpose of obtaining the benefit of the old tariff. Since then there has been a marked falling off in the imports, the decline in the duty realised in 1906–1907 amounting to £82,100. Stocks are now being replenished, and it is estimated that the receipts in 1907–1908 will show an increase of £20,000 over the figures of 1905–1906.

The receipts from the export duty on rice fell by £87,400 in 1906–1907 because a portion of the rice which would ordinarily have been consigned from Burma to foreign ports was diverted to Bengal and Eastern Bengal, where scarcity prevailed. The exports from Bengal were restricted for the same reason. A recovery of £103,300 is anticipated under this head in 1907–1908.

The imports of cotton manufactures have not maintained the exceptionally high figure of 1905–1906 and have yielded £29,300 less than in that year. The revenue from the excise duty on cotton, which is included among the customs receipts, shows a slight increase of £2,900.

There was a heavy demand for silver in 1906–1907, but it is expected that the rise in price will cause some reduction in the receipts from this source in 1907–1908.

Assessed Taxes.	£
Accounts, 1905–1906	1,314,678
Budget, 1906–1907	1,335,700
Revised Estimate, 1906–1907	1,403,400
Budget, 1907–1908	1,425,100

The receipts shewn under this head are almost entirely derived from Income Tax. The tax is levied on non-agricultural incomes of Rs. 1,000 a year or more at the rate (approximately) of 2 per cent. on incomes from Rs. 1,000 to Rs. 2,000, and 2½ per cent. on incomes of Rs. 2,000 or more.

Registration.	£
Accounts, 1905–1906	361,135
Budget, 1906–1907	353,800
Revised Estimate, 1906–1907	382,700
Budget, 1907–1908	390,200

The receipts are principally derived from fees for registering documents.

Appendix I.

Notes on the main heads of Net Revenue and Expenditure.

Post Office.

——	Accounts, 1905–1906.	Budget, 1906–1907.	Revised Estimate, 1906–1907.	Budget, 1907–1908.
	£	£	£	£
Receipts	1,651,477	1,727,100	1,765,400	1,795,700
Charges	1,575,936	1,600,900	1,599,300	1,689,800
Net revenue	75,541	126,200	166,100	105,900

In 1907–1908 allowance is made for the alteration of postal rates mentioned on pages 5 and 6. The loss due to this cause between the 1st October, 1907, and the 31st March, 1908, is estimated at £73,300. The additional expenditure in 1907–1908 is due to a revision of establishment and to the growth of the operations of the department.

Telegraph.

——	Accounts, 1905–1906.	Budget, 1906–1907.	Revised Estimate, 1906–1907.	Budget, 1907–1908.
	£	£	£	£
Receipts	909,854	938,100	952,500	991,900
Charges	1,076,489	1,155,000	1,135,200	1,080,100
Net charge	*166,635*	*216,900*	*182,700*	*88,200*

The figures given represent the combined results of the working of the Indian Telegraph Department and the Indo-European Telegraph Department.

The charges include the following amounts for capital outlay, mainly on account of the Indian Telegraph Department:—1905–1906, £387,869; 1906–1907 (Revised Estimate), £388,500; 1907–1908 (Budget), £287,700.

Railways.

——	Accounts, 1905–1906.	Budget, 1906–1907.	Revised Estimate, 1906–1907.	Budget, 1907–1908.
	£	£	£	£
State Railways:—				
Gross Receipts	23,629,545	25,681,900	26,004,600	26,790,900
Working Expenses ...	*11,301,098*	*12,388,100*	*12,761,900*	*13,189,400*
Net Traffic Receipts ...	12,328,447	13,293,800	13,242,700	13,601,500
Surplus Profits paid to Companies, &c.	*368,630*	*395,900*	*392,900*	*400,900*
Interest charges—				
Interest on capital spent or advanced by the State.	*5,338,877*	*5,943,900*	*6,012,200*	*6,268,000*
Interest on capital deposited by Companies.	*1,315,192*	*1,469,100*	*1,422,700*	*1,515,200*
Annuities in purchase of Railways.	*2,869,707*	*2,869,400*	*2,869,300*	*2,869,400*
Sinking Funds ...	*144,030*	*148,800*	*148,800*	*153,900*
Total	*10,036,436*	*10,827,100*	*10,845,900*	*11,207,400*
Net Receipts	2,292,011	2,466,700	2,396,800	2,394,100
Guaranteed Railways:—				
Net charge to the State	*259,893*	*169,700*	*212,700*	*208,300*
Miscellaneous charges (net)	*30,152*	*67,700*	*26,300*	*36,100*
Net Receipts from all Railways.	2,001,966	2,229,300	2,157,800	2,149,700

General.—Before 1899–1900 the Railway Revenue Account always shewed a net charge. The figures from that year onwards are as follows:—

		£
1899–1900	Net receipt	76,756
1900–1901	„	325,124
1901–1902	„	846,616
1902–1903	„	228,949
1903–1904	„	860,669
1904–1905	„	2,105,438
1905–1906	„	2,001,966
1906–1907 ... ... (Revised Estimate.)	„	2,157,800
1907–1908 ... ... (Budget Estimate.)	„	2,149,700

State Railways.—The profit derived by the State from the railways arises from the State lines, under which head are included not only the lines worked by the State (of which the most important are the North-Western, Eastern Bengal, and Oudh and Rohilkhand systems), but also lines which, while classified as State railways, are worked by companies, and have in most cases been constructed by companies. Among the most important of the lines included in the latter class are the East Indian, Great Indian Peninsula, Bengal-Nagpur, Bombay, Baroda and Central India (purchased by the Secretary of State on the 31st December, 1905), Indian Midland, Rajputana-Malwa, Assam-Bengal, Southern Mahratta, South Indian, and Burma Railways. For some years the gross receipts of the State lines have been growing rapidly. Excluding, for the purpose of comparison, the receipts of the Great Indian Peninsula Railway, which was purchased by the State in 1900–1901, and of the Bombay, Baroda and Central India Railway, which was purchased on 31st December, 1905, the receipts for 10 years are as follows:—1898–1899, £13,075,980; 1899–1900, £14,653,223; 1900–1901, £15,170,314; 1901–1902, £16,432,994; 1902–1903, £16,231,912; 1903–1904, £17,519,799; 1904–1905, £19,567,323; 1905–1906, £19,785,949; 1906–1907 (Revised Estimate), £21,237,900; 1907–1908 (Budget), £21,857,500.

Including the receipts of the Great Indian Peninsula Railway and of the Bombay, Baroda and Central India Railway, the figures since the 1st April, 1902, are:—

1902–1903.	1903–1904.	1904–1905.	1905–1906.	Revised Estimate, 1906–1907.	Budget Estimate, 1907–1908.
£	£	£	£	£	£
20,205,077	21,697,048	24,134,113	24,550,739	26,018,500	26,790,900

The result of the working of the State Railways in 1906–7 was slightly less favourable than was expected, a considerable expansion of receipts being more than counterbalanced by the increase of expenditure. As compared with 1905–6, the following are the chief variations, apart from those due to the inclusion of the figures of the Bombay, Baroda and Central India Railway. *Gross receipts*: Increases—North Western Railway, £412,600; East Indian Railway, £258,000; Eastern Bengal and Bengal Central Railways, £243,100; Indian Midland Railway, £161,500; Bengal-Nagpur Railway, £135,300. Decrease—Great Indian Peninsula Railway, £128,200 (due to unfavourable agricultural conditions in Western India). *Working expenses*: Increases—East Indian Railway, £307,800; North Western Railway, £170,900; Bengal-Nagpur Railway, £98,900; Indian Midland Railway, £81,800; Eastern Bengal and Bengal Central Railways, £73,300.

In the Budget Estimate for 1907–8 allowance is made for a further expansion of traffic, for a recovery of the ground temporarily lost by the Great Indian Peninsula Railway, and for the opening of the Nagda-Muttra Railway

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and additional mileage on other lines. But it is expected that the growth of revenue will be counterbalanced by an increase in the working expenses consequent on the increase of traffic and the necessity for renewal of permanent way and rolling stock. The only appreciable decrease in working expenses is on the East Indian and the Rajputana-Malwa Railways. On both these lines the expenditure in the current year on renewal of permanent way and rolling stock has been abnormally heavy.

The annuities shewn among the charges of State railways were created for the purchase by the State of the East Indian, Eastern Bengal, Scinde-Punjab and Delhi, and Great Indian Peninsula railways. The payments include the following amounts in redemption of capital, viz. :—1905–1906, £583,665; 1906–1907, £603,241; 1907–1908, £623,498.

Guaranteed Railways.—The transactions included under the heading "Guaranteed Railways" are, with slight exceptions, those of the Madras Railway Company (which, as mentioned on page 8, is to be purchased on 31st December, 1907), and (to the 31st December, 1905) the Bombay, Baroda and Central India Railway Company. In the case of the Madras Railway Company the net traffic receipts paid to the Government fall short of the guaranteed interest and "surplus profits" paid by the Government to the Company by the following amounts, viz. :—1905–1906, £155,389; 1906–1907 (Revised Estimate), £191,100; 1907–1908 (Budget), £177,500.

Irrigation.

——	Accounts, 1905–1906.	Budget, 1906–1907.	Revised Estimate, 1906–1907.	Budget, 1907–1908.
MAJOR WORKS:	£	£	£	£
Receipts	2,837,935	3,072,900	3,343,800	3,250,900
Working Expenses	897,823	901,100	950,100	932,100
Interest on Debt	1,041,456	1,079,200	1,077,900	1,122,900
Net Receipts	898,656	1,092,600	1,315,800	1,195,900
MINOR WORKS:				
Receipts	168,728	177,100	187,300	174,400
Expenditure	941,153	1,012,600	905,400	1,002,100
Net Expenditure ...	772,425	835,500	718,100	827,700
Net Receipts, Major and Minor Works.	126,231	257,100	597,700	368,200

More than two-fifths of the revenue under this head is obtained in the Punjab.

The agricultural conditions in 1906–7 were favourable for an extension of irrigation, especially in the United Provinces and the Punjab, and the net revenue for the year was the highest on record. The gross receipts in the United Provinces were higher by £259,300, and in the Punjab by £230,300, than in the previous year.

The increased expenditure on Minor Works in 1907–8 is mainly due to the provision of a reserve of 10 lakhs (£66,700) to meet special expenditure entailed by recommendations of the Irrigation Commission.

Mint.

——	Accounts, 1905–1906.	Budget, 1906–1907.	Revised Estimate, 1906–1907.	Budget, 1907–1908.
	£	£	£	£
Receipts	321,183	201,900	415,700	245,300
Charges	120,079	139,300	161,100	150,800
Net receipts ...	201,104	62,600	254,600	94,500

The Mints are credited with a seigniorage of 2 per cent. on fresh issues of rupees, to cover the cost of coinage. In 1906–1907 the coinage was exceptionally heavy, and the Mint receipts were accordingly high. The estimate of receipts in 1907–1908 allows for a considerable reduction. Including the re-coinage of withdrawn issues, the coinage of rupees during the last three years has been as follows:—

	Rs.
1904–1905	10,87,84,913
1905–1906	19,59,87,621
1906–1907 (Revised Estimate)... ...	25,10,00,000

The net profit on the coinage of rupees is transferred to the Gold Standard Reserve (*see* page 9 above), the transaction being excluded from the Revenue and Expenditure Account and recorded elsewhere under the head "Deposits and Advances."

Exchange.

	£
Accounts, 1905–1906	82,870
Budget, 1906–1907	40,000
Revised Estimate, 1906–1907	193,300
Budget, 1907–1908	133,300

The average rate obtained for bills and telegraphic transfers sold by the Secretary of State for India was 16·0427 pence in 1905–1906 and 16·0837 pence in 1906–1907.

NET EXPENDITURE.

Debt Services.

	Accounts, 1905–1906.	Budget, 1906–1907.	Revised 1906–1907.	Budget, 1907–1908.
	£	£	£	£
Total payments for Interest on Debt ...	7,349,455	7,824,800	7,930,500	7,950,700
Deduct amount chargeable to Railways (*included under Railways, page 16*).	*5,353,212*	*5,943,900*	*6,012,200*	*6,268,000*
Deduct amount chargeable to Irrigation (*included under Irrigation, page 18*).	*1,041,456*	*1,079,200*	*1,077,900*	*1,122,900*
Interest on Ordinary Debt	954,787	801,700	840,400	559,800
Interest on other Obligations...	455,148	477,100	495,200	503,100
Total	1,409,935	1,278,800	1,335,600	1,062,900
Interest Receipts	944,986	853,000	948,800	962,100
Net Interest Payments other than those chargeable to Railways and Irrigation.	464,949	425,800	386,800	100,800

The total debt is classified in the Accounts as (1) Public Works Debt and (2) Ordinary Debt. The amount entered as belonging to the former category is the equivalent of the total capital expenditure which has been incurred by the State on Public Works, and the interest on this sum is charged under Railways and Irrigation (*see* pages 16 and 18 above); the "Ordinary Debt" consists of the remainder of the debt. In any year in which, owing to the use of surplus revenue or deposits for the construction of Public Works, the capital expenditure of the year exceeds the amount of debt incurred in the year, the effect of this system of classification is to cause a decrease to be shown in the amount of the Ordinary Debt and of the interest thereon. The figures in the table above show a decrease due to this cause.

The large increase in 1906–1907 in the total payments, and in the amount chargeable to railways, is chiefly due to the inclusion of the charge for interest on the stock created for the purchase of the Bombay, Baroda and Central India

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Railway, and on the obligations of the Company for which the liability was assumed by the Secretary of State in Council from the date of purchase. The interest charges so included since the 31st December, 1905, when the line was purchased by the Secretary of State, are as follows :—1905–1906, £21,593 ; 1906–1907 (Revised Estimate), £385,300 ; 1907–1908 (Budget), £382,300.

The most important of the "other obligations" referred to in the table above are the Savings Banks Balances and the Service Funds and other special funds held by the Government of India.

The amount of the debt and other obligations is shewn on page 9 above.

The receipts shewn in the table include the interest received in India on loans granted by the Government to Native States, Municipalities, Port Trusts, Railway Companies, &c., and in England on the balances of the Secretary of State in Council. They also include the interest, in India and England, on the invested portion (now £8,000,000) of the Paper Currency Reserve.

Army.

Net Army Charges in India.

——	Accounts, 1905–1906.	Budget, 1906–1907.	Revised Estimate, 1906–1907.	Budget, 1907–1908.
NET CHARGES IN INDIA.				
Effective Services :—	£	£	£	£
Army and Garrison and Administrative Staff.	558,622	566,900	570,400	575,000
Regimental Pay, Allowances and Charges.	6,796,817	7,114,600	6,928,900	7,167,500
Supply and Transport... ...	2,691,068	2,811,500	2,935,900	2,961,000
Medical Establishments, Supplies and Services.	559,234	578,700	556,500	564,100
Ordnance Establishments, Stores and Camp Equipage.	700,476	804,600	708,600	878,700
Miscellaneous Services ...	231,695	122,100	179,100	184,300
Other Effective Services ...	849,077	897,100	1,004,300	1,002,800
Total Effective Services ...	12,386,989	12,895,500	12,883,700	13,333,400
Non-effective Charges	592,568	587,200	581,400	586,400
Reorganization	458,498	(*a*)	(*a*)	(*a*)
Total, India	13,438,055	13,482,700	13,465,100	13,919,800

(*a*) "Reorganization" charges included under "Effective Services."

Net Army Charges in England.

——	Accounts, 1905–1906.	Budget, 1906–1907.	Revised Estimate, 1906–1907.	Budget, 1907–1908.
Effective Services :—				
Charges—	£	£	£	£
Payments to War Office for British Forces in India.	565,720	650,000	670,500	667,500
Furlough Allowances	422,140	400,000	466,000	429,000
Indian Troop Service and Passage of Officers.	320,660	334,000	370,800	362,500
Miscellaneous	44,065	35,000	38,400	42,400
Stores	714,080	1,780,300	1,653,300	794,000
Total	2,066,665	3,199,300	3,199,000	2,295,400

Notes on the main heads of Net Revenue and Expenditure.

Net Army Charges in England—continued.

	Accounts. 1905–1906.	Budget, 1906–1907.	Revised Estimate, 1906–1907.	Budget, 1907–1908.
Effective Services—*continued.*				
Receipts—				
Contribution of Imperial Government towards Transport Charges.	130,000	130,000	130,000	130,000
Contribution of Imperial Government towards Military Charges for Aden.	100,000	100,000	100,000	100,000
Payment by Imperial Government (on capitation basis) for Indian Native Regiments serving in the Colonies.	175,000	—	85,000	90,000
Transfer and Sale of Stores, Recoveries, &c.	85,432	43,300	33,800	40,100
Total	490,432	273,300	348,800	360,100
Net Charge for Effective Services ...	1,576,233	2,926,000	2,850,200	1,935,300
Non-effective Charges (net) ...	2,347,579	2,373,500	2,401,500	2,432,000
Reorganization	715,567	(*a*)	(*a*)	(*a*)
Total, England	4,639,379	5,299,500	5,251,700	4,367,300
Grand Total	18,077,434	18,782,200	18,716,800	18,287,100

(*a*) "Reorganization" charges included under "Effective Services."

It will be seen from the table above that in the Revised Estimate for 1906–7 the net expenditure on the Army is higher by £639,366 than in the Accounts for 1905–6, while the amount provided in the Budget for 1907–8 is less by £429,700 than that shewn in the Revised Estimate. The chief variations occur in the expenditure on measures for improving the efficiency of the Army, to which reference was made in the Financial Statement of the Government of India, published in March, 1905. The bulk of this expenditure is brought to account under the head "Army," the remainder being included under "Military Works," "Special Defences," and "Marine."

In the following table the figures relating to the Army in the Estimates for 1906–7 and 1907–8 are analysed so as to shew separately the Ordinary Expenditure and the Special Expenditure, the latter division including the outlay on the measures originally included in the scheme for the improvement of the Army and on some other similar measures.

	Budget, 1906–1907.	Revised Estimate, 1906–1907.	Budget, 1907–1908.
	£	£	£
Ordinary Expenditure :—			
India	13,430,100	13,469,600	13,556,400
England	4,558,000	4,681,200	4,635,600
Total	17,988,100	18,150,800	18,192,000
Special Expenditure :—			
India	813,800	732,500	1,037,100
England	1,044,800	948,800	121,800
Total	1,858,600	1,681,300	1,158,900
Total Expenditure	19,846,700	19,832,100	19,350,900
Deduct Receipts	*1,064,500*	*1,115,300*	*1,063,800*
Net Charges	18,782,200	18,716,800	18,287,100

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Notes on the main heads of Net Revenue and Expenditure.

In the Budget for 1906–7 the total grant for Special Military Expenditure (including the sums provided under "Military Works," "Marine," and "Special Defences," as well as provision under "Army") amounted to £2,766,700 (£2,166,700 + £600,000 for amounts un-expended in the preceding year). In 1907–8 the new grant has been reduced from £2,166,700 to £1,666,700. To this is added £316,700 on account of lapses in 1906–7, making £1,983,400 in all. It will be seen that the greater part of the reduction in 1907–8 occurs in the portion of the grant provided under "Army." Among the objects to which it is proposed to devote this portion are:—*Measures already in progress*: Re-organization of Horse and Field Artillery batteries and of Ammunition Columns; increase in reserves of artillery and small-arms ammunition; addition of officers to the Indian Army. *New measures*: Reorganization of Mountain and Heavy Artillery; raising of two additional Indian Mountain Batteries; raising of an additional Indian cavalry regiment from a nucleus of two irregular squadrons; supply of telephone equipment.

Military Works.

	£
Accounts, 1905–1906	1,045,599
Budget, 1906–1907	1,122,100
Revised Estimate, 1906–1907	1,075,900
Budget, 1907–1908	1,210,300

The Budget includes a provision of £592,000 for Special Expenditure, chiefly on buildings, acquisition of land, and outlay in connection with the redistribution of the Army.

Special Defence Works.

	£
Accounts, 1905-1906	146,306
Budget, 1906–1907	231,500
Revised Estimate, 1906–1907	141,300
Budget, 1907–1908	145,700

This expenditure is for a scheme of special coast defences begun in 1903–4. The whole of the outlay is met from the grant for "Special" Military Expenditure.

Collection of Revenue.

	Accounts, 1905-1906.	Budget, 1906-1907.	Revised Estimate, 1906-1907.	Budget, 1907-1908.
	£	£	£	£
Land Revenue	3,335,910	3,473,000	3,421,300	3,572,400
Forest	954,818	985,500	981,100	1,070,900
Salt	363,166	372,500	362,900	370,700
Stamps	128,164	207,700	186,500	191,200
Excise	258,116	291,500	273,600	314,900
Provincial Rates	37,211	40,100	33,400	32,200
Customs	182,459	191,500	197,500	207,500
Assessed Taxes	22,626	23,200	24,000	24,300
Registration	187,613	197,900	197,600	209,100
Total ... £	5,470,083	5,782,900	5,677,900	5,993,200

The variations under Land Revenue occur mainly in connection with Survey and Settlement operations and with changes in Provincial and Village establishments.

The charges for Forest conservancy, &c., increase with the work of the Department and the growth of the gross revenue.

The increase under Stamps in 1906–1907 is due to the introduction of a unified Postal and Revenue stamp; the cost of all stamps is now included under the head "Stamps," whereas formerly the cost of Postal and Telegraph stamps was charged to "Post Office" and "Telegraph."

Civil Departments.

	£
Accounts, 1905–1906	11,707,890
Budget, 1906–1907	12,749,400
Revised Estimate, 1906–1907	12,692,500
Budget, 1907–1908	13,296,100

The following table shews the charges for the several departments :—

	Accounts, 1905–1906.	Budget, 1906–1907.	Revised Estimate, 1906–1907.	Budget, 1907–1908.
	£	£	£	£
General Administration ...	1,593,584	1,555,100	1,597,000	1,672,800
Law Courts and Jails ...	2,672,176	2,764,400	2,842,400	2,816,100
Police	3,038,896	3,451,400	3,373,300	3,642,200
Marine	392,733	463,700	500,900	462,200
Education	1,426,137	1,692,900	1,586,500	1,802,600
Ecclesiastical	121,371	124,700	123,900	131,900
Medical	961,098	1,036,000	1,032,600	1,089,700
Political	943,440	953,800	1,013,200	934,700
Scientific and Minor Departments.	558,455	707,400	622,700	743,900
Total	11,707,890	12,749,400	12,692,500	13,296,100

The chief variations occur in the expenditure on Police, Education, and Minor Departments.

In April, 1905, the Government of India made permanent annual grants to the Provincial Governments of £333,000 a year for Police Reform, £233,000 for Education, and £133,000 for the development of agricultural research and instruction, and in the Budget for 1906–7 these grants were increased to £500,000, £266,700, and £160,000 a year, respectively. A portion of these grants has been devoted to the construction of buildings, of which the cost is entered under "Civil Works," and it has not yet been possible to utilise fully the remaining portion owing to delay in the initiation of some of the measures contemplated. As a consequence, the charges shewn in the Revised Estimate for 1906–7 under Police, Education, and Scientific and Minor Departments, are considerably less than in the Budget.

The Budget for 1907–8 includes provision for a further increase of the grant from Imperial revenues for Police Reform to £703,000 a year.

The Marine charges include expenditure of £125,900 in 1906–7 and £86,800 in 1907–8 on new vessels for the Royal Indian Marine. This outlay has been charged to the grant for Special Military Expenditure.

Appendix I.

Notes on the main heads of Net Revenue and Expenditure.

Miscellaneous Civil Charges.

	£
Accounts, 1905–6	3,636,580
Budget, 1906–7	3,712,800
Revised Estimate, 1906–7	3,677,800
Budget, 1907–8	3,847,400

The expenditure under this head includes Territorial and Political Pensions, Furlough and Absentee Allowances, Superannuation Allowances and Pensions, Stationery and Printing, and other miscellaneous charges. The most important figures are those relating to Civil Superannuation Allowances and Pensions, the net charge for which is as follows:—

	India.	England.	Total.
	£	£	£
1905–6	799,791	1,948,404	2,748,195
1906–7 (Revised Estimate) ...	832,000	1,965,200	2,797,200
1907–8 (Budget)	870,600	1,975,000	2,845,600

Famine Relief and Insurance.

	Accounts, 1905–6.	Budget, 1906–7.	Revised Estimate, 1906–7.	Budget, 1907–8.
	£	£	£	£
Famine Relief	135,887	539,100	312,600	60,300
Protective Railways...	55,278	6,700	5,300	2,300
Protective Irrigation Works ...	296,573	441,000	350,600	466,700
Reduction or avoidance of Debt ...	512,262	13,200	313,500	470,700
Total	1,000,000	1,000,000	1,000,000	1,000,000

A sum of not less than £1,000,000 is annually appropriated for the purposes of Famine Relief and Insurance. When the outlay on direct famine relief is less than this sum, the balance is used (1) for the construction or maintenance of protective railways and irrigation works, and (2) for the construction of ordinary public works, which would otherwise require additional borrowing. The amount used for the last mentioned purpose is shown under the head of "Reduction or Avoidance of Debt."

Hitherto the expenditure on direct Famine Relief has been borne by the province or provinces visited by famine. A new system has been introduced, with effect from 1st April, 1907, under which such expenditure will in future be borne partly, if not entirely, by Imperial Revenues. The principle of the scheme is to enable each Local Government whose Province is liable to famine to build up gradually a fund, to be held to its credit by the Imperial Government, on which it will be at liberty to draw when it becomes necessary to incur expenditure on famine relief. For this purpose the Local Governments in question will annually be credited with a fixed sum, determined with reference to, but not in exact proportion to, the average expenditure incurred by them on famine relief during the past 25 years. The amounts assigned are as follows:—Madras, £16,700; Bombay, £91,300; Bengal, £17,300; United Provinces, £30,000; Punjab, £9,300; Central Provinces, £85,300. When famine occurs, the Local Government will be entitled to draw upon the amount standing to its

credit to meet its famine expenditure, and charges thus incurred will be shewn in the accounts of the Government of India as Imperial expenditure. In the event of the amount at credit being exhausted owing to widespread or severe famine, any further expenditure on famine relief will be shared between the Imperial and the Local Government, either equally or in such proportions as may be determined when the circumstances arise. In addition to making these arrangements for the future the Government of India have allotted special grants to the United Provinces and Bombay of £189,000 and £82,100 respectively to cover the expenditure on famine which the Government of these Provinces incurred in 1905–6 and 1906–7.

Of the total outlay on Protective Irrigation Works in 1907–8, £174,700 is expected to occur in the United Provinces, £103,500 in Bombay, and £93,300 in the Central Provinces.

Civil Works (including construction of railways charged to Provincial or Local revenues).

	£
Accounts, 1905–6	4,874,991
Budget, 1906–7	5,226,500
Revised Estimate, 1906–7	5,062,500
Budget, 1907–8	5,370,800

In April 1905 permanent grants of £377,000 a year were made by the Government of India to District and Local Boards in aid of their expenditure on roads, buildings, hospitals, schools, water supply, sanitation, &c., and a further grant of £38,800 a year was made in April 1906. Moreover a portion of the permanent grants made to the Provincial Governments for expenditure on Police Reform, Education, and Agricultural development and research (*see* above under "Civil Departments") has been devoted to the construction of buildings, and the money so spent goes to increase the charges under this head.

The increase of expenditure provided for in 1907–8 is partly attributable to more prosperous conditions, and partly to the fact that the special grants referred to have not as yet been fully utilised. The net amount provided from Local resources is £1,386,900, being an increase of £138,500 as compared with the amount shown in the Revised Estimate for 1906–7.

Provincial Adjustments.

	Provincial Surpluses (which are added to the Provincial Balances and charged against the Revenue of the Year).	Provincial Deficits (*i.e.*, Contributions from Provincial Balances in reduction of the amount to be charged against the Revenue of the Year).
	£	£
Accounts, 1905–1906	23,994	—
Budget, 1906–1907	—	1,077,600
Revised Estimate, 1906–1907	613,500	—
Budget, 1907–1908	—	443,300

In the Budget for 1906–7 it was anticipated that the share of the revenue of the year to be credited to the Provincial Governments in accordance with the system of financial decentralisation in force in India, would amount (including certain special grants made by the Government of India at the beginning of the year) to £23,257,600, and that the share of the expenditure of the year chargeable to the Provincial Governments would be £24,335,200, of which £1,077,600, being the excess of Provincial expenditure over Provincial revenue, would be met from the balances of the Provincial Governments, instead of being charged against the revenue of the year.

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During the year, however, the Government of India made the following additional grants to the Provincial Governments :—

	£
(1) To Burma, in connection with the introduction of a new "Provincial Settlement"	333,300
(2) To Bengal, and Eastern Bengal and Assam, in modification of their Provincial Settlements	56,700
(3) To the United Provinces and Bombay, in repayment of their famine expenditure during 1905–06 and 1906–07 (*see* page 25 above)	271,100
(4) To various provinces for expenditure on education, irrigation works, and archæology	67,900
	£729,000

Owing mainly to these grants, the revenue credited to the Provincial Governments in the year was £24,389,000. On the other hand the Provincial expenditure of the year was only £23,775,500. Thus the Provincial Governments, instead of providing from their balances £1,077,600 towards the expenditure of the year, added £613,500 to their balances, this amount being charged against the revenue of the year.

In 1907–8 it is assumed that the Provincial Balances will contribute £443,300 towards the expenditure of the year.

The new Provincial Settlement with Burma completes the series of "quasi-permanent settlements" which have recently been introduced for the purpose of regulating on a more permanent basis the financial relations between the Government of India and the Provincial Governments. Formerly the provincial settlements were revised at the end of every five years. Under the new scheme no period of revision is fixed, and it is intended that the arrangements now introduced into the various Provinces shall, as far as possible, be permanent, though the Government of India necessarily reserves to itself the power to revise the settlement of any or all Provinces whenever necessity may demand it.

APPENDIX II.

Home Charges.

The following is an analysis of the Net Expenditure in England charged on the Revenue of the year :—

Net Expenditure.	Accounts, 1905-1906.	Revised Estimate, 1906-1907.	Budget, 1907-1908.
	£	£	£
Interest and Management of Debt (excluding Interest charged in Railway Revenue Account)	2,793,333	2,875,000	2,966,000
Railway Revenue Account	6,755,875	6,742,200	6,825,900
Civil Administration: Payments on account of Departments in India, passage, outfit, &c. ..	46,440	46,200	49,915
Postal Subsidy	61,226	61,200	61,200
Telegraph: Red Sea Company's Annuity	18,027	18,000	18,000
„ Indo-European	18,321	40,600	30,600
„ Joint Purse Guarantee	17,545	4,300	8,000
Public Works: Civil Engineering College	4,289	4,600	1,500
„ Other Charges	4,563	3,000	7,500
Marine: His Majesty's ships in Indian Seas	100,072	100,100	100,100
„ Indian Government Defence Vessels	*– 10,884*	—	—
„ Other Charges	2,006	2,600	2,500
Indian Civil Service: Allowances to Candidates, Examinations, &c. ..	8,368	12,200	14,485
Lunatics: Maintenance	1,618	1,700	1,700
Political Charges: Persian Mission and Minor Consulates	*– 1,706*	*– 5,800*	*– 7,000*
„ Pensions: Territorial and Political	11,117	10,500	10,500
„ Other Charges	3,070	2,600	2,300
India Office: Salaries of Establishment	133,982	136,500	139,900
„ Auditor's Department	6,805	6,700	6,900
„ Store Department	26,008	24,300	24,100
„ India Store Depôt—additions to building	—	—	25,000
„ Stationery, Postage, Telegrams, and other Charges	23,549	23,200	24,200
Army, Effective: Home Charges of British Forces serving in India (including receipt on account of Aden)	477,525	585,800	581,500
„ „ Troop Service and Transport (including receipt from War Office)	151,766	225,200	219,500
„ „ Receipt on account of Indian Native Regiments lent for service in the Colonies	*– 175,000*	*– 85,000*	*– 90,000*
„ „ Other Charges	43,510	37,700	41,600
Stores: Civil and Public Works	340,440	411,200	396,900
„ Telegraph	252,180	250,000	186,000
„ Marine	148,021	233,000	152,900
„ Military	668,097	1,636,800	767,700
„ „ Reorganisation	715,567	Included in previous item.	
„ Special Defences (1902)	71,053	48,000	20,000
„ Miscellaneous Charges	*– 38,243*	*– 2,100*	8,800
Furlough: Civil and Marine	234,473	250,200	320,000
„ Military	410,335	450,700	415,000
„ Telegraph and Public Works	46,901	48,500	49,000
Non-Effective Charges: Civil and Marine	1,367,485	1,391,000	1,400,900
„ Military	2,928,498	2,975,700	3,006,100
Total	17,666,232	18,565,400	17,783,200

The Expenditure in England not charged on the Revenues of the year is as follows :—

Expenditure.	Accounts, 1905-1906.	Revised Estimate, 1906-1907.	Budget 1907-1908.
	£	£	£
Capital outlay on construction of State Railways	2,049,305	2,593,100	3,626,600
„ „ on Irrigation Works	31,949	73,000	30,000
Total	2,081,254	2,666,100	3,656,600

Appendix III.

Railways.

APPENDIX III.

Railways: Mileage and Traffic.

Length of railways open in India on 31st March, 1905		27,727·68 miles.
Length of railways open in India on 31st March, 1906		28,619·48 „
Additional mileage opened in 1906–1907:—		
East Indian	207·59 miles	
Tirhoot	162·65 „	
North-Western	158·64 „	
Bengal and North-Western ...	92·14 „	
Azikhal-Mangalore	77·27 „	
Oudh and Rohilkhand	58·18 „	
Barsi Light Railway	50·57 „	
Great Indian Peninsula	37·59 „	
Bengal-Nagpur	27·61 „	
Amritsar-Patti	27·49 „	
Jubbulpore-Gondia Extension ...	12·84 „	
Matheram	12·61 „	
South Indian	6·95 „	
Hospet-Kottur	4·96 „	
Sangli	4·44 „	
Tanjore District Board	3·90 „	
Mymensingh Jamalpur Jagannathganj	2·53 „	
Eastern Bengal	2·25 „	
Madras (North-east Line) ...	·85 „	
Raipur-Dhamtari	·78 „	
Total	———	951·84 „
Length of railways open in India on 31st March, 1907		29,571·32 miles.

—	1904.	1905.	1906.
Number of passengers carried	227,097,000	248,157,000	274,742,000
Tons of goods carried	52,051,000	54,936,000	60,955,000

Railways: Capital Outlay and Net Traffic Receipts.

(The Capital at charge for each line on 31st March, 1906, is calculated by deducting from the total capital outlay up to 31st March, 1906, half the outlay in 1905–1906.)

—	—	Capital at Charge, March 31st, 1906.	Net Receipts, 1905-1906.	Percentage of Net Receipts on Capital Outlay.
		£	£	
Guaranteed ...	Madras	12,455,473	425,554	3·42
State	East Indian	42,794,873	3,382,712	7·91
	Bellary-Rayadrug	44,677	— *208*	—
	Rajputana-Malwa	10,536,783	1,042,187	9·89
	Bhopal	213,443	11,154	5·23
	Palanpur-Deesa	15,838	1,004	6·34
	Bengal-Nagpur	18,952,634	936,887	4·94
	Warora Colliery	89,815	13,997	15·58
	Burma	8,757,725	411,197	4·69
	Assam-Bengal	8,398,421	16,432	·19
	Jorhat	60,538	839	1·38
	Eastern Bengal	12,397,063	636,848	5·14
	Hospet-Kottur	89,182	— *181*	—
	Kalka-Simla	389,077	4,518	1·16
	Bombay, Baroda and Central India ...	10,450,669	683,837	6·54
	Morappur-Dharmapuri	45,954	— *57*	—
	Tirhoot	3,596,283	245,454	6·81
	Oudh and Rohilkhand	13,237,346	477,877	3·61
	Agra Delhi Chord	796,414	27,975	3·51
	Indian Midland	8,716,096	287,024	3·29
	Tirrupattur-Krishnagiri	63,943	— *159*	—
	Lucknow-Bareilly Section	812,787	62,178	7·65
	Hardwar-Dehra	180,118	10,641	5·91
	North Western	40,157,119	1,791,716	4·46
	South Indian	7,045,292	433,843	6·16
	North East Line, Madras Railway ...	4,327,941	179,845	4·15
	Nilgiri	241,740	3,265	1·35
	Bezwada Extension	78,596	13,615	17·32
	Guntakal-Mysore Frontier	394,720	22,550	5·71
	Mysore	1,199,124	49,633	4·14
	Mayavaram-Mutupet	314,024	17,469	5·56
	Tinnevelly-Quilon (British Section) ...	289,872	16,448	5·68
	Great Indian Peninsula	28,683,397	1,857,594	6·48
	Southern Mahratta	8,049,485	206,815	2·57
	Jodhpur - Hyderabad (British Section).	264,919	30,281	11·43
		244,141,381	13,300,784	5·45
Unopened lines, stores, &c.	... .	5,546,243		
		249,687,624	13,300,784	5·33
Private Companies:— Government payments.	... ...	1,799,182		
		251,486,806		

Appendix IV.

Irrigation Works.

APPENDIX IV.

Major Irrigation Works: Capital Outlay and Net Earnings.

—	Capital Outlay to end of 1905-1906.	Net Earnings (being gross receipts less working expenses).	Percentage of net Earnings on Capital Outlay.
	£	£	
Bengal :—			
Orissa Project	1,734,538	7,169	·41
Midnapore	553,589	4,509	·81
Sone	1,720,606	61,387	3·56
United Provinces :—			
Ganges	1,943,669	168,711	8·68
Lower Ganges	2,293,485	105,582	4·60
Agra	654,657	15,454	2·36
Eastern Jumna	303,354	61,587	20·30
Betwa	342,429	4,079	1·19
Punjab and N.W. Frontier Province :—			
Western Jumna	1,099,741	115,082	10·46
Bari-Doab	1,284,578	154,730	12·05
Sirhind	1,576,625	122,533	7·76
Lower Chenab	1,835,075	399,214	21·76
Lower Jhelam	974,175	13,287	1·36
Swat River	268,797	26,959	10·03
Madras :—			
Godavari Delta	797,842	185,766	23·28
Kistna Delta	960,455	157,000	16·35
Pennér Anicut	366,522	22,674	6·18
Kurnool-Kuddapah	1,455,806	7,934	·54
Periyar Project	610,815	26,029	4·26
Rushikulya Project	308,839	3,921	1·27
Bombay:—			
E. Nara Works	427,769	38,279	8·95
Mutha	462,050	17,957	3·88
Jamrao	529,549	40,739	7·69
Nira	358,658	6,154	1·72
Burma :—			
Mandalay	336,191	8,073	2·40
Other Works	3,449,043	165,303	4·79
Total	26,648,857	1,940,112	7·28

APPENDIX V.

Trade Tables.

Sea-borne Trade :—

I.—General Summary.

II.—Imports and Exports of Merchandise : Summary distinguishing Government transactions from transactions on Private Account.

III.—Movements of Treasure.

IV.—Analysis of Imports of Merchandise, shewing the principal articles separately.

V.—Analysis of Exports of Merchandise, shewing the principal articles separately.

I.—*Summary of Sea-borne Trade.*

	1904.	1905.	1906.
Imports :—	£	£	£
Merchandise	68,549,860	72,690,832	78,037,217
Treasure	29,968,558	20,300,961	30,953,930
Total	98,518,418	92,991,793	108,991,147
Exports :—			
Merchandise :—			
Indian Produce	105,100,358	102,764,212	111,422,516
Re-exports	2,262,337	2,319,885	2,410,092
Total	107,362,695	105,084,097	113,832,608
Treasure	13,521,028	9,744,310	6,027,751
Total	120,883,723	114,828,407	119,860,359
Total Imports and Exports	219,402,141	207,820,200	228,851,506
Net Exports...	22,365,305	21,836,614	10,869,212

Appendix V. — Trade Tables.

II.—*Sea-borne Trade—Imports and Exports of Merchandise: Summary distinguishing Government Transactions from Transactions on Private Account.*

	1904.	1905.	1906.
	£	£	£
Imports of Merchandise :—			
Private	63,662,006	66,556,982	72,000,117
Government	4,887,854	6,133,850	6,037,100
Total Imports	68,549,860	72,690,832	78,037,217
Exports of Merchandise :—			
Private	107,183,716	104,989,128	113,764,765
Government	178,979	94,969	67,843
Total Exports	107,362,695	105,084,097	113,832,608
Net Exports, Private	43,521,710	38,432,146	41,764,648
Net Imports, Government	4,708,875	6,038,881	5,969,257

III.—*Sea-borne Trade—Movements of Treasure.*

	1904.	1905.	1906.
	£	£	£
Gold :—			
Net Imports on Private Account	13,008,524	9,563,086	8,147,967
Net Imports on Government Account	*7,113,001*	*6,495,999*	*969,148*
Total Net Imports	5,895,523	3,067,087	7,178,819
Silver :—			
Net Imports on Private Account	4,757,765	3,741,045	4,242,077
Net Imports on Government Account	5,794,242	3,748,519	13,505,283
Total Net Imports	10,552,007	7,489,564	17,747,360
Total Net Imports of Treasure	16,447,530	10,556,651	24,926,179

IV.—*Sea-borne Trade—Analysis of Imports of Merchandise, shewing the principal articles separately.*

	1904.	1905.	1906.
A. *On Private Account*—	£	£	£
1. Live Animals	332,569	369,609	299,076
2. Articles of Food and Drink :—			
Liquors	1,236,236	1,311,417	1,261,564
Provisions :—			
From United Kingdom...	560,812	602,565	625,509
From elsewhere	883,355	973,894	976,772
Total	1,444,167	1,576,459	1,602,281
Salt	471,095	417,997	487,716
Spices	617,669	725,428	932,371
Sugar (Refined) :—			
From United Kingdom...	107,479	137,671	153,173
From Mauritius	1,550,329	1,348,652	1,174,440
From Austria-Hungary and Germany ...	1,013,345	892,410	3,089,707
From Java	1,183,363	1,158,751	1,223,519
From elsewhere	509,816	580,598	293,217
Unrefined Sugar, Molasses, and Confectionery	174,830	301,063	626,440
Total	4,539,162	4,419,145	6,560,496
Other articles	261,706	279,673	550,622
Total value of articles of Food and Drink ...	8,570,035	8,730,119	11,395,050
3. Metals and Manufactures of Metals :—			
Hardware and Cutlery :—			
From United Kingdom	1,044,984	1,030,511	1,159,624
From Germany	193,844	203,986	272,373
From elsewhere	350,972	271,513	305,894
Total...	1,589,800	1,506,010	1,737,891

IV.—*Sea-borne Trade—Analysis of Imports of Merchandise, shewing the principal articles separately—cont.*

	1904.	1905.	1906.
A. *On Private Account—cont.*			
3. Metals and Manufactures of Metals—*cont.*	£	£	£
Machinery and Millwork :—			
From United Kingdom	2,563,165	2,832,287	3,591,273
From elsewhere	136,088	136,425	150,906
Total	2,699,253	2,968,712	3,742,179
Iron and Steel	4,314,478	4,023,132	4,898,982
Copper	1,712,896	1,027,447	816,268
Other Metals	742,259	653,207	700,402
Railway Plant (other than Government Stores)	878,429	1,152,393	2,235,268
Total value of Metals and Manufactures of Metals.	11,937,115	11,330,901	14,130,990
4. Chemicals, Drugs, Medicines, Narcotics, Dyeing and Tanning Materials.	1,803,956	2,004,154	2,013,722
5. Oils	2,333,126	1,907,449	1,690,071
6. Raw materials and unmanufactured articles :—			
Jewellery	589,679	853,100	696,600
Silk	508,039	468,377	414,467
Other articles	1,500,994	2,042,528	1,819,626
Total	2,598,712	3,364,005	2,930,693
7. Articles manufactured and partly manufactured :—			
Cotton	24,690,046	27,263,116	27,759,983
Silk	1,400,420	1,326,762	1,245,247
Wool	2,051,855	1,667,393	1,334,110
Apparel (excluding hosiery and boots) :—			
From the United Kingdom	594,665	638,741	591,621
From elsewhere	685,216	617,649	596,420
Total	1,279,881	1,256,390	1,188,041

IV.—*Sea-borne Trade—Analysis of Imports of Merchandise, shewing the principal articles separately—cont.*

	1904.	1905.	1906.
A. *On Private Account—cont.*	£	£	£
7. Articles manufactured and partly manufactured—*cont.*			
Glass and Glassware :—			
From the United Kingdom	104,804	109,418	111,434
From Austria-Hungary...	334,906	258,146	254,495
From elsewhere	296,814	385,351	419,079
Total	736,524	752,915	785,008
Other articles	5,927,767	6,584,169	7,128,126
Total value of articles manufactured and partly manufactured.	36,086,493	38,850,745	39,540,515
Total value of Imports of Merchandise on Private Account.	63,662,006	66,556,982	72,000,117
B. *Government Stores*	4,887,854	6,133,850	6,037,100
Grand Total, Imports of Merchandise ...	68,549,860	72,690,832	78,037,217

V.—*Sea-borne Trade—Analysis of Exports of Merchandise, shewing the principal articles separately.*

	1904.	1905.	1906.
A. *Indian Merchandise exported on Private Account.*	£	£	£
1. Animals, living	131,753	127,389	144,707
2. Articles of Food and Drink :—			
Coffee	897,404	1,216,817	1,019,843
Rice	13,122,120	12,743,776	11,727,231
Wheat and Wheat-flour	11,578,463	8,028,419	4,641,843
Other grains and Pulse	1,616,289	1,668,021	712,506
Provisions	438,266	445,791	462,220
Spices	580,783	514,477	551,763
Tea	5,655,612	5,731,465	6,511,562
Other articles	335,008	428,808	333,196
Total, Articles of Food and Drink	34,223,945	30,777,574	25,960,164
3. Metals and Manufactures of Metals	216,283	336,465	576,409

Appendix V.

Trade Tables.

V.—*Sea-borne Trade—Analysis of Exports of Merchandise, shewing the principal articles separately—cont.*

A. *Indian Merchandise exported on Private Account—cont.*	1904.	1905.	1906.
	£	£	£
4. Chemicals, Drugs, Dyeing Materials, &c.:			
Opium :—			
To China	5,648,253	5,050,076	4,806,452
To other countries	1,631,903	1,487,117	1,321,564
Total	7,280,156	6,537,193	6,128,016
Indigo :—			
To the United Kingdom	182,851	87,748	80,481
To Egypt	147,634	104,642	118,659
To other countries	383,010	262,451	188,282
Total	713,495	454,841	387,422
Other articles	929,636	894,490	1,000,900
Total, Chemicals, Drugs, &c.	8,923,287	7,886,524	7,516,338
5. Oils	683,141	572,105	483,690
6. Raw Materials and Unmanufactured Articles :—			
Cotton :—			
To Japan	2,859,764	4,393,258	3,894,643
To Germany	2,837,401	2,083,026	2,843,924
To other countries	9,422,229	5,854,304	7,299,652
Total	15,119,394	12,330,588	14,038,219
Hides and Skins (Unprepared) :—			
To the United States	1,924,302	2,535,168	2,987,883
To other countries	2,554,634	3,469,238	4,695,006
Total	4,478,936	6,004,406	7,682,889
Jute :—			
To the United Kingdom	3,420,644	4,575,853	7,045,474
To Germany	1,802,507	1,902,319	3,229,181
To other countries	3,214,924	3,356,164	6,183,562
Total	8,438,075	9,834,336	16,458,217
Linseed :—			
To United Kingdom	1,461,046	777,179	787,934
To other countries	2,672,127	1,991,238	1,440,077
Total	4,133,173	2,768,417	2,228,011

V.—*Sea-borne Trade—Analysis of Exports of Merchandise, shewing the principal articles separately—cont.*

	1904.	1905.	1906.
A. *Indian Merchandise exported on Private Account—cont.*	£	£	£
6. Raw Materials and Unmanufactured Articles—*cont.*			
Other seeds	5,478,725	4,356,393	5,379,405
Wood, Teak and other	478,829	557,343	545,857
Wool, raw	1,201,190	1,311,764	1,344,398
Other articles	2,550,741	3,148,011	3,754,368
Total, Raw Materials and Unmanufactured Articles.	41,879,063	40,311,258	51,631,364
7. Manufactured and partly manufactured articles :—			
Cotton twist and yarn :—			
To China	4,941,645	7,721,808	7,016,126
To other countries	556,575	477,852	522,865
Total	5,498,220	8,199,660	7,538,991
Other cotton	1,184,283	1,375,658	1,210,120
Total cotton	6,682,503	9,575,318	8,749,111
Jute :—			
Gunny bags and cloth :—			
To the United Kingdom	500,142	600,341	984,349
To the United States	2,183,489	2,347,706	3,609,652
To other countries	3,922,072	4,770,829	5,242,051
Other Jute manufactures	46,971	38,884	55,756
Total	6,652,674	7,757,760	9,891,808
Hides and Skins :—			
To the United Kingdom	1,737,675	1,937,181	2,483,048
To other countries	284,793	300,921	393,228
Total	2,022,468	2,238,102	2,876,276
Lac	2,239,580	1,804,041	2,170,353
Other articles	1,293,984	1,310,365	1,371,278
Total, manufactured and partly manufactured articles.	18,891,209	22,685,586	25,058,826
Total exports of Indian merchandise on Private Account.	104,948,681	102,696,901	111,371,498
B. *Government Stores, exports*	151,677	67,311	51,018
Total exports, Indian merchandise	105,100,358	102,764,212	111,422,516

Appendix V.

Trade Tables.

V.—*Sea-borne Trade—Analysis of Exports of Merchandise, shewing the principal articles separately—cont.*

	1904.	1905.	1906.
	£	£	£
C. *Re-exports—On Private Account:—*			
Cotton, wool and apparel	1,228,197	1,243,324	1,208,277
Other articles	1,006,838	1,048,903	1,184,990
D. *Re-exports—Government Stores*	27,302	27,658	16,825
Total	2,262,337	2,319,885	2,410,092
Grand Total, Exports of Merchandise	107,362,695	105,084,097	113,832,608

EAST INDIA: ACCOUNTS AND ESTIMATES, 1908-1909.

EXPLANATORY MEMORANDUM

BY THE

UNDER SECRETARY OF STATE FOR INDIA.

Presented to both Houses of Parliament by Command of His Majesty.

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Memorandum by the Under Secretary of State for India, relating to the Accounts of the Government of India for 1906-1907, and the Estimates for 1907-1908 and 1908-1909.

Form of Accounts and Estimates.

In the "Financial Statement" of the Government of India, which is annually presented to Parliament (*see* H. of C. 170 of 1908), the Accounts and Estimates are prepared so as to shew the transactions in India in rupees; the rupee figures are then converted into pounds at the rate of £1 to 15 rupees; the sterling transactions in England are next stated; and the last two sets of figures are added together, so as to shew in pounds the combined transactions in India and in England. The small addition or deduction that has to be made on account of the facts that the remittances from India to defray the net expenditure in England are not effected at exactly 16 pence to the rupee, and that the Government is under obligations to carry out certain transactions with railway companies at specified rates, is shewn in a single line, under the head of Exchange.

Since the presentation to Parliament of the last Explanatory Memorandum (Cd. 3479 of 1907) the following changes have been made in the form of the accounts :—

(1.) The transactions of District Boards and certain other local bodies are now excluded from the Government accounts. The amount of the Gross Revenue and Expenditure shown therein is reduced by about two and a half millions sterling in consequence of this change; but the surplus or deficit of the year is, of course, unaffected.

(2.) The figures hitherto shewn under "Civil Departments—Marine" included not only the civil charges for Ports and Pilotage (with the corresponding receipts), but also the cost of the Royal Indian Marine and the Indian contribution towards the cost of H.M. Ships in Indian Waters. The latter charges are now shewn under the new Military head "Marine," while the former though still shewn, as before, in the group "Civil Departments," are described by the new designation, "Ports and Pilotage."

(3.) The distribution of the charges for interest on debt has been altered, with the effect of increasing by about £600,000 a year the interest shewn under the head "Debt Services," and of diminishing to the same extent the payments charged to the heads, "Railway Revenue Account" and "Irrigation." Particulars of the change will be found below under the appropriate heads.

Effect has been given to the first and second of these changes in the figures contained in this Memorandum for 1906–7, 1907–8 and 1908–9. The third change has been carried out in the Accounts for 1906-7, the Revised Estimate for 1907–8 and the Budget for 1908–9, but not in the Budget for 1907-8, which was framed before the new system was introduced, and also before the Accounts for 1906–7 were rendered.

Gross Revenue and Expenditure.

The Gross Revenue and Expenditure of the Government of India for the three years to which this Memorandum refers are as follows :—

Gross Revenue and Expenditure.	Accounts, 1906-1907.	Revised Estimate, 1907-1908.	Budget, 1908-1909.
	£	£	£
Revenue	73,144,554	70,989,200	73,438,900
Expenditure	71,555,179	70,753,800	72,867,400
Surplus	1,589,375	235,400	571,500

In these figures all receipts are included in the total of revenue and all outlay in the total of expenditure, with the one exception that the working expenses of railways and the surplus profits paid to certain railway companies are treated not as expenditure but as a deduction from revenue.

Net Revenue and Expenditure.

The figures of Gross Revenue just given include the net receipts of railways, without any deduction on account of interest charges, and the total receipts derived from the other commercial undertakings of the Government of India (*i.e.* Irrigation Works, Post Office, and Telegraphs) and from the sale of Opium: while the figures of Gross Expenditure include the interest charges of railways, the working expenses and interest charges of other commercial under-

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takings, and the cost of cultivation of opium. This method of compiling the figures causes the revenue available for administrative purposes, and the expenditure on such purposes, to appear much greater than they really are ; and it has accordingly been the practice for some years to present to Parliament an annual statement of Net Income and Expenditure (*see* H. of C. 174 of 1908), in which the net revenue derived from commercial undertakings and opium is shewn instead of the gross revenue, and similar adjustments are made under other heads of revenue and expenditure by deducting (1) refunds and assignments from the gross yield of land revenue, taxation, &c., and (2) the receipts of certain spending departments from the gross expenditure incurred by them. In the following table the Net Revenue and Expenditure for 1906-7, 1907-8, 1908-9, are calculated in the same manner as in the annual Parliamentary return last mentioned.

Net Revenue.

—	Accounts, 1906-1907.		Budget, 1907-1908.		Revised Estimate, 1907-1908.		Budget, 1908-1909.	
I. Land Revenue, &c.:	£	£	£	£	£	£	£	£
1. Land Revenue	19,066,832		19,488,300		17,781,200		19,224,700	
2. Forest	1,763,627		1,886,700		1,737,000		1,840,300	
3. Tributes from Native States.	400,756		403,600		360,300		422,600	
		21,231,215		21,778,600		19,878,500		21,487,600
II. Opium		3,743,773		3,042,700		3,556,100		3,351,700
III. Taxation:								
1. Salt	4,095,173		3,023,300		3,066,500		3,129,900	
2. Stamps	3,985,706		4,121,600		4,188,700		4,315,400	
3. Excise	5,835,462		6,154,600		6,131,600		6,326,400	
4. Provincial Rates... ...	514,735		525,500		523,000		531,700	
5. Customs	4,232,499		4,499,100		4,857,000		4,894,000	
6. Assessed Taxes	1,416,327		1,425,100		1,474,700		1,513,800	
7. Registration	378,891		390,200		410,600		428,800	
		20,458,843		20,139,400		20,652,100		21,140,000
IV. Commercial Undertakings:								
1. Post Office	148,213		105,900		116,400		96,500	
2. Telegraph	*—173,199*		*—58,200*		*—86,400*		*—56,700*	
3. Railway Revenue Account	2,307,673		2,141,400		1,928,100		2,406,500	
4. Irrigation	796,156		400,200		614,600		722,500	
		3,078,843		2,559,300		2,572,700		3,168,800
V. Mint		252,600		94,500		272,500		124,400
VI. Exchange		190,022		133,300		60,000		—
Total Net Revenue ...		48,955,296		47,747,800		46,991,900		49,272,500

Net Expenditure.

—	Accounts, 1906-1907.		Budget, 1907-1908.		Revised Estimate, 1907-1908.		Budget, 1908-1909.	
	£	£	£	£	£	£	£	£
I. Debt Services (excluding interest payments chargeable direct to Railways and Irrigation).		943,691		113,400		818,500		720,200
II. Military Services:								
1. Army	18,440,276		18,287,100		17,746,400		18,091,300	
2. Military and Special Defence Works ...	1,214,874		1,356,000		1,195,700		1,251,900	
3. Marine	515,210		453,200		431,800		394,500	
		20,170,360		20,096,300		19,373,900		19,737,700
III. Collection of Revenue ...		5,556,014		5,916,800		5,808,500		6,035,300
IV. Civil Services:								
1. Civil Departments ...	11,545,529		11,955,900		11,941,800		12,896,700	
2. Miscellaneous Civil Charges	3,756,653		4,089,000		4,233,800		4,095,700	
3. Civil Works	4,071,689		4,319,800		4,425,000		4,209,300	
		19,373,871		20,364,700		20,600,600		21,201,700
V. Famine Relief and Insurance		1,009,743		999,800		1,182,000		1,531,200
VI. Provincial adjustments:								
1. Charge against Revenue of the Year arising from increase of Provincial Balances		312,242		—		—		—
2. Diminution of charge against Revenue of the Year owing to Expenditure being met from Provincial Balances ...		—		*—517,900*		*-1,027,000*		*—525,100*
Total Net Expenditure charged against Revenue.		47,365,921		46,973,100		46,756,500		48,701,000
Surplus		1,589,375		774,700		235,400		571,500

Accounts, 1906–7.

It will be seen from the table that the surplus shown in the final accounts for 1906–7 is £1,589,375 ; this is greater by £263,275 than the surplus shown in the Revised Estimate published in March 1907.

Revised Estimate, 1907–8.

The Revised Estimate for 1907–8 shows, as compared with the Budget for that year, a decrease of £755,900 in net revenue, of £216,600 in net expenditure, and of £539,300 in the surplus.

The net decrease of £755,900 in the net Revenue is due to the following decreases and increases under the several heads :—*Decreases* : Land Revenue £1,707,100 (owing to the suspensions of revenue necessitated by the partial failure of the autumn monsoon of 1907), Railways £213,300 (a decrease which is chiefly due to larger expenditure on repairs and renewals, and which would have been considerably greater but for the change mentioned on page 3 in the method of calculating the interest charge to be debited to railways), Forest £149,700, other heads £142,100. *Increases* : Opium, £513,400, Customs £357,900, Irrigation £214,400 (mainly owing to the change in the method of calculating the charge for interest), Mint £178,000, other heads £192,600.

The decrease of £216,600 in the net Expenditure is also the result of considerable decreases and increases under various heads. The decreases occurred under Military Services £722,400 (mainly owing to the postponement of various special measures), Provincial Adjustments £509,100 (the balances of the Provincial Governments having been drawn upon to a greater extent than was anticipated), Political £119,700, Collection of Revenue £108,300, other heads £81,700. The increases occurred under Debt Services £705,100 (chiefly owing to the change already mentioned in the distribution of interest charges), Famine Relief and Insurance £182,200, Law Courts and Jails £111,400, Civil Works £105,200, and other heads £220,700.

Budget, 1908–9.

In view of the loss of revenue and increase of expenditure resulting from the unfavourable agricultural conditions in 1907–8 it is not practicable to remit taxation, or to undertake any expensive schemes of administrative improvements, during 1908–9. Provision is made, however, for grants to the Provincial Governments of £200,000 and £80,000, respectively, for sanitation and for the furtherance of the Police re-organization already in progress. It is intended that these grants shall be permanent.

The Budget Estimate of net revenue and expenditure is as follows :—

	£
Net Revenue	49,272,500
Net Expenditure	48,701,000
Surplus	571,500

As compared with the Revised Estimate for the previous year these figures shew an increase of £2,280,600 in net revenue, of £1,944,500 in net expenditure, and of £336,100 in the surplus.

The increase of £2,280,600 in the net revenue is explained in detail as follows :—

Increases are anticipated in—	£	£
Land Revenue (chiefly in the United Provinces, Bombay and Burma)	1,443,500	
Railways	478,400	
Excise	194,800	
Stamps	126,700	
Irrigation	107,900	
Forest	103,300	
Salt, Tributes, Assessed Taxes, Customs, Telegraph, Registration and Provincial Rates	258,400	
Total increases in revenue		2,713,000

	£	£
Brought forward		2,713,000
Decreases are anticipated in—		
Opium (owing to a reduction in the number of chests to be sold, and in the estimated yield per chest)	204,400	
Mint (the estimated rupee coinage, on which a seigniorage of 2 per cent. is credited to Mint, is expected to be considerably less than in 1907–8)	148,100	
Exchange and Post Office	79,900	
Total decreases in revenue		432,400
Net increase of Revenue		2,280,600

The details of the increase of £1,944,500 in the net Expenditure are as follows:—

Increases are anticipated in—	£	£
Provincial Adjustments (provincial balances being drawn upon to a smaller extent) ...	501,900	
Military Services (partly owing to postponement of various special measures from 1907–8)	363,800	
Famine Relief and Insurance (chiefly in the United Provinces, the Central Provinces, and Bombay)	349,200	
Police (owing to progress of schemes for the re-organisation of the police force) ...	311,100	
Medical	276,300	
Collection of Revenue	226,800	
Education	168,100	
Other heads	276,100	
Total increases in Expenditure ...		2,473,300
Decreases are anticipated in—		
Civil Works	215,700	
Miscellaneous	133,400	
Debt Services	98,300	
Other heads	81,400	
Total decreases in Expenditure ...		528,800
Net increase of Expenditure		1,944,500

Debt.

In 1906–7 a loan of 4½ crores of rupees (£3,000,000) was issued in India at an average price of 97·3 per cent. In England £2,000,000 3 per cent. Stock was offered for tender at a minimum price of £94 10*s.* per cent. The average price obtained was £94 16*s.* 5*d.* Of the proceeds of this loan £749,900 was used for the discharge of debentures of the Bombay, Baroda, and Central India Railway Company, and the remainder for advances to railway companies.

In 1907–8 a loan of 3 crores of rupees (£2,000,000) was issued in India, and loans of £3,500,000 and £5,000,000 in England. The loan of £3,500,000 was issued early in May, 1907, in the form of India 3½ per cent. Stock, subscribed at a fixed price of £98 10*s.* per cent. Of the proceeds, £701,700 was used for the discharge of debentures of the Bombay, Baroda, and Central India Railway Company and of the Madras Railway Company, whose undertaking was purchased on the 31st December, 1907, and the remainder for capital expenditure on State railways and advances to railway companies. The loan of £5,000,000, also in the form of 3½ per cent. Stock, was issued in January, 1908, in order to provide in advance for a portion of the capital requirements of 1908–9. The price of issue was £99 per cent. Of the proceeds, £798,800 will be used for the discharge of debentures of the Bombay, Baroda and Central India Railway Company in 1908–9, and the remainder for capital outlay on State railways in 1908–9, and for

advances to railway companies. In addition, £1,000,000 6 months' Sterling Bills were issued in October, 1907, at an average price of £97 18*s.* 4½*d.* per cent.

In the Budget for 1908–9 it is proposed to issue a loan of 3 crores (£2,000,000) in India for capital expenditure on railways and irrigation. In England £1,000,000 Sterling Bills were issued in April, 1908, at an average price of £96 15*s.* 10*d.*, in replacement of those issued in October, 1907, and £2,500,000 in June, 1908, at an average price of £97 3*s.* 10*d.*, to provide for capital expenditure on railways and to make good the reduction (due to the failure to sell bills on India) in the balances held by the Secretary of State in London.

Railways.

On the 31st of March, 1908, the length of Railways in India open for traffic was 30,286 miles, of which 985 were opened in 1907–8. The mileage under construction or sanctioned for construction was 2,457 miles, of which 301 were sanctioned in 1907–8.

The capital expenditure on Railways shewn in the Accounts for 1906–7 and Estimates for 1907–8 and 1908–9 is as follows :—

	Accounts, 1906–1907.	Revised Estimate, 1907–1908.	Budget, 1908–1909.
Expenditure not charged to Revenue :—	£	£	£
State railways (from money provided by State).	7,915,041	6,358,000	4,655,100
State railways (from money raised through Companies).	—	1,895,900	3,900,000
Old guaranteed Companies	234,923	*—283,600*	—
Other guaranteed or assisted Companies	1,534,440	2,118,500	1,442,900
Branch lines on firm guarantee	361	200	2,000
Local Boards	62,648	36,000	—
Expenditure charged to Revenue	4,337	9,600	1,000
Total outlay by Government or with Government assistance.	9,751,750	10,134,600	10,001,000
Branch lines not on firm guarantee ...	39,991	17,400	16,900
Total	9,791,741	10,152,000	10,017,900

The net traffic receipts in 1906–7 of open lines in which the Government is directly interested gave a return of 5·26 per cent. on the capital cost. Details relating to the several lines will be found on page 29, below.

The Railway Revenue Account shewed in 1906–7 a net receipt of £2,307,673, and in 1907–8 of £1,928,100. In the Budget for 1908–9 the net receipt is taken at £2,406,500. These results are arrived at after charging in the Account not only all interest charges but also the following payments in redemption of capital which are made partly through sinking funds and partly through the annuities created for the purchase of railways, viz. :—

	£
In 1906–7	752,137
In 1907–8	777,598
In 1908–9	865,745

The Madras Railway was purchased on the 31st December, 1907, by means of an annuity of £553,398 payable for 48¼ years.

Irrigation Works.

The outlay on the construction of Major Irrigation Works incurred during the last two years and estimated to be incurred in the present year is as follows :— 1906–7, £1,108,400 ; 1907–8 (Revised Estimate), £1,241,800 ; 1908–9 (Budget),

£1,383,300. The allotment for 1908–9 includes grants of £266,700 for the Upper Chenab Canal, £200,000 for the Upper Jhelum Canal, £116,700 for the Lower Bari Doab Canal, and £357,500 for various protective projects. Of the gross outlay on Minor Works, amounting to £856,900 in 1906–7, £860,900 in 1907–8 (Revised Estimate), and £908,800 in 1908–9 (Budget), a considerable portion is devoted to capital expenditure on new works, but is charged against the revenue of the year in which it is incurred.

The following table shews the total capital expenditure on Major Irrigation Works, and the net receipts :—

—	Capital Expenditure to End of the Year, excluding indirect charges.	Net Receipts during the Year (being gross receipts, *less* working expenses and interest charges).
	£	£
1906–7	27,764,900	1,469,300
1907–8 (Revised Estimate) ...	29,348,400	1,240,600
1908–9 (Budget)	30,731,800	1,421,600

Liabilities and Assets.

On the 31st of March, 1908, the debt of India amounted to £246,033,817 (viz. :—rupee debt, converted into sterling at 1*s.* 4*d.* the rupee, £88,552,743, and sterling debt, £157,481,074). There were also other obligations of the Government of India, including Savings Bank balances, Judicial and Departmental deposits, balances of Service Funds, &c., amounting to £20,459,760.

Up to the same date the Government of India had devoted £110,001,638 to the construction of Railways, and £29,348,434 to the construction of Irrigation Works. It had purchased from guaranteed companies (in some cases by cash payments, in others by annuities,* and in one case by the direct issue of India stock to the company) nine railways, on which, at the time of purchase, £108,092,385 had been spent from capital raised by the companies. It had advanced £12,469,744 (net) to Railway Companies, and had lent £13,401,619 (net) to Native States, Corporations, Agriculturists, &c. Other assets were the Gold Standard Reserve, on account of which £13,186,521 had been invested, £4,000,000 was held in the form of rupees, and £1,131,223 as part of the cash balances in England; the cash balances in India, £12,833,300; and the cash balances in England, £4,607,231 (in addition to the sum held on behalf of the Gold Standard Reserve).

Exchange and Remittance.

The sale by the Secretary of State in Council of bills and telegraphic transfers on India during the last three years has been as follows :—

	£		
1905–6 ...	31,566,973	at an average rate of	1*s.* 4·043*d.* per rupee.
1906–7 ...	33,432,196	„ „	1*s.* 4·084*d.* „
1907–8 ...	15,307,061	„ „	1*s.* 4·029*d.* „

* The annuities now outstanding are:—East Indian Railway Annuity, £1,145,288 (of which £294,750 is deferred under the existing contract for working the line), running to 14th February, 1953; Eastern Bengal Railway Annuity, £116,851, running to 31st July, 1957; Scinde Punjab and Delhi Railway Annuity, £371,361, running to 31st December, 1958; Great Indian Peninsula Railway Annuity, £1,268,516, to 17th August, 1948; and Madras Railway Annuity, £553,398, to 1st April, 1956.

The sales include £3,640,000, £3,820,000, and £175,000, respectively, for telegraphic transfers on India against shipments of sovereigns from Australia and Egypt consigned to the Secretary of State in London.

Among the causes contributing to the falling-off in the demand for bills and transfers on India in 1907–8 the most important were the exceptionally large imports, the check to the normal growth of the value of the exports due to the partial failure of the autumn monsoon and to the low price of jute, and the stringency in the London money market caused by the financial crisis in the United States. Towards the close of the year the Secretary of State authorised the Government of India to invite applications in India, week by week, for sterling bills on London at the rate of exchange of 1*s.* $3\frac{29}{32}$*d.* the rupee. The first sale took place on the 26th March. The total sales up to and including the 11th of June amounted to £4,178,000.

Gold Standard Reserve.

In accordance with a recommendation made by the Indian Currency Committee, it was decided that, with effect from 1st April, 1900, the net profit from the coinage of rupees should not be treated as revenue, but should be held as a special reserve. This profit amounted to £3,031,294 in 1900–1, £415,100 in 1901–2, £264,028 in 1902–3, £2,627,575 in 1903–4, £1,790,380 in 1904–5, £3,488,700 in 1905–6, £4,014,426 in 1906–7, and £1,127,000 in 1907–8. Up to 31st March, 1907, the whole of this profit, the bulk of which has been remitted to England for investment in British Government securities, was transferred to the Gold Standard Reserve. It has since been decided that, with effect from 1st April, 1907, half the profit accruing shall be used for capital expenditure on railways. The amount invested up to the 31st March, 1908, was £13,186,521, and the securities purchased were as follows :—£7,395,379 $2\frac{1}{2}$ per cent. Consolidated Stock, £1,464,175 National War Loan $2\frac{3}{4}$ per cent. Stock, £500,000 Local Loans 3 per cent. Stock, £1,494,324 Transvaal Government 3 per cent. Guaranteed Stock, £538,720 Guaranteed $2\frac{3}{4}$ per cent. Stock, £1,000,000 3 per cent. Exchequer Bonds, and £1,575,000 Treasury Bills. In addition, a sum of £1,131,223 was held on the date mentioned in the Secretary of State's balances on account of the Reserve.

The sterling bills on London referred to in the preceding section on "Exchange and Remittance" have been met from the portion of the Gold Standard Reserve held in England, the sums received in India for the Bills being at the same time paid to the Reserve.

Home Charges.

The net Expenditure in England chargeable to Revenue was £18,333,943 in 1906–7, £17,849,400 in the Revised Estimate for 1907-8, and £17,988,500 in the Budget for 1908–9. The last-named amount is thus divided :—

	£
Interest and Management of Debt, and payment of Interest and Annuities on account of Railways and Irrigation Works	10,082,500
Payments in connection with Civil Departments in India ...	172,775
India Office (excluding pensions)	209,725
Army and Marine Effective Charges	847,300
Stores of all kinds charged against revenue	1,390,300
Furlough Allowances	848,000
Non-Effective Charges (Pensions and Gratuities)	4,437,900
Total	17,988,500

Besides this, the outlay on stores, &c., for the construction of State Railways and Irrigation Works was £2,631,059 in 1906–7, and is estimated at £2,349,800 in 1907–8, and £3,093,100 in 1908–9.

Seaborne Trade.

The following figures show the Exports from, and Imports into, India during the last three years :—

	1905-6.	1906-7.	1907-8.
On Private Account.	£	£	£
Imports of Merchandise	68,722,700	72,205,100	86,565,900
Exports of Merchandise	107,812,000	117,710,700	118,102,300
Net Exports of Merchandise	39,089,300	45,505,600	31,536,400
Net Imports of Gold	6,301,300	9,862,300	11,566,500
Net Imports of Silver	3,346,400	4,463,000	6,675,100
Total Net Imports of Treasure	9,647,700	14,325,300	18,241,600
Net Exports of Merchandise and Treasure on Private Account.	29,441,600	31,180,300	13,294,800
Government Transactions.			
Imports of Merchandise	6,019,800	5,956,400	4,428,100
Exports of Merchandise	78,400	72,000	84,900
Net Imports of Merchandise	5,941,400	5,884,400	4,343,200
Net Imports of Gold	*—5,996,000*	41,700	12,000
Net Imports of Silver	7,135,700	11,540,700	6,295,800
Total Net Imports of Treasure	1,139,700	11,582,400	6,307,800

Burden of Taxation.

	Accounts 1906-7.	Revised Estimate, 1907-8.	Budget, 1908-9.
	£	£	£
Salt	4,095,173	3,066,500	3,129,900
Stamps	3,985,706	4,188,700	4,315,400
Excise	5,835,462	6,131,600	6,326,400
Provincial Rates	514,785	523,000	531,700
Customs	4,232,499	4,857,000	4,894,000
Assessed Taxes	1,416,327	1,474,700	1,513,800
Registration	378,891	410,600	428,800
Total	20,458,843	20,652,100	21,140,000
According to the census taken in March, 1901, the population of British India was 232,072,832. On this basis, and allowing for an increase of population at the rate of one-half per cent. per annum, the payment per head, on the assumption that the whole of the taxation, including that on Salt, Excise, and Customs, is paid by the inhabitants of British India, is ...	*s. d.* 1 $8\frac{3}{4}$	*s. d.* 1 $8\frac{3}{4}$	*s. d.* 1 $9\frac{1}{4}$
If the payment of Land Revenue be added, the average becomes...	3 $3\frac{3}{4}$	3 $2\frac{3}{4}$	3 $4\frac{1}{2}$

T. R. BUCHANAN.

India Office,
16th June, 1908.

APPENDIX I.

Notes on the main heads of Net Revenue and Expenditure.

NET REVENUE.

Land Revenue.

	£
Accounts, 1906–7	19,066,832
Budget, 1907–8	19,488,100
Revised Estimate, 1907–8	17,781,200
Budget, 1908–9	19,224,700

In 1906–7 harvests were good over the whole of India with the exception of a few eastern districts.

When the Budget Estimate for 1907–8 was framed the agricultural prospects were excellent, and increased collections of land revenue were anticipated in every province except Bombay, where a considerable portion of the amounts suspended in previous years had been collected in 1906–7. Owing to the partial failure of the autumn monsoon this expectation was not realised. In the province most severely affected, the United Provinces, the collections were less than was estimated by £945,300, and there were minor decreases in all the other provinces, except Eastern Bengal and Assam and the North-West Frontier Province.

In the Budget for the current year it is assumed that the revenue from the spring harvests will be considerably below the normal in the provinces which are suffering from scarcity, but that a favorable autumn monsoon will subsequently allow of the collection of substantial arrear payments. An improvement of £767,800, as compared with the Revised Estimate for 1907-8, is anticipated in the United Provinces, of £417,900 in Bombay, and of £193,000 in Burma.

Forest.

	£
Accounts, 1906–7	1,763,627
Budget, 1907–8	1,886,700
Revised Estimate, 1907–8	1,737,000
Budget, 1908-9	1,840,300

The chief variations occur in Burma, in which province more than one-third of the total revenue is obtained.

Tributes.

	Accounts, 1906–7.	Budget, 1907–8.	Revised Estimate, 1907–8.	Budget, 1908–9.
	£	£	£	£
Receipts	600,986	598,500	558,600	617,700
Assignments and Compensations, and Refunds and Drawbacks.	200,230	194,900	198,300	195,100
Net revenue	400,756	403,600	360,300	422,600

The most important of the receipts under this head is the tribute of £233,000 from Mysore; the most important of the "assignments and compensations" is the payment of £167,000 to the Nizam of Hyderabad under the arrangement for the administration of Berar.

Appendix I.

Notes on the main heads of Net Revenue and Expenditure.

Opium.

	Accounts, 1906-7.	Budget, 1907-8.	Revised Estimate, 1907-8.	Budget, 1908-9.
	£	£	£	£
Receipts	5,660,528	4,851,100	5,222,900	4,842,900
Charges	1,916,755	1,808,400	1,666,800	1,491,200
Net revenue	3,743,773	3,042,700	3,556,100	3,351,700

The opium revenue is collected in different ways in different parts of India. In certain districts of Bengal and the United Provinces the poppy is cultivated under a system of advances by the Government, who manufacture the drug for sale by auction at Calcutta. About nine-tenths of the produce is sold for export, and the remainder is issued to the Excise and Medical Departments, under strict regulations, for consumption in India, the profits from its sale being credited under Excise. About seven-eighths of the net revenue under Opium is obtained from the Calcutta sales. The bulk of the remainder is derived from a pass duty levied on each chest of opium despatched from the group of Native states known as Malwa. The opium expenditure consists chiefly of payments to the cultivators in Bengal.

The Budget Estimate for 1907–8 anticipated a large reduction in the receipts because, in consequence of negotiations with the Chinese Government, it was proposed to reduce the sale of Bengal opium during the year from 52,800 chests, the number sold in 1906–7, to 49,200. It was also thought prudent to take the average price at a somewhat lower figure than in 1906–7. The number of chests sold was below the estimate, but the prices realised have exceeded expectation, the average obtained being Rs. 1,350 per chest against Rs. 1,250 taken in the Budget. In Malwa the opium crop was good and the exports were considerably higher than in 1906–7. The decrease in expenditure results from the contraction of the poppy-growing area in Bengal.

The number of chests of Bengal opium to be sold in 1908–9 is 45,900, a reduction of 3,000 as compared with the number sold in 1907–8. On the other hand the payments to cultivators will be somewhat less than in 1907–8, as the crop sown last winter is expected to yield a poor harvest, and the advances for next year's crop will be made on an area substantially reduced in accordance with the accepted policy of helping the Chinese reforms. The exports of Malwa opium are expected to be slightly higher.

Statistics are appended :—

	Bengal.		Bombay.		Chests of Bengal Opium produced.	Payments to Cultivators, including purchase of Opium.
	Chests sold.	Average price.	Chests of Malwa Opium passed for Export.	Rate of Duty per Chest.		
		Rs.		Rs.		£
Accounts, 1905–6 ...	49,200	1,434	14,235	600	55,501	1,720,964
Accounts, 1906–7 ...	52,800	1,391	13,792	600	48,750	1,744,008
Budget, 1907–8	49,200	1,250	13,292	600	—	1,630,700
Revised Estimate, 1907–8	48,900	1,350	15,000	600	38,125	1,500,100
Budget, 1908–9	45,900	1,300	15,100	600	—	1,320,000

Salt.

	£
Net Receipts, 1902–3	5,931,933
„ „ 1903–4	4,981,704
„ „ 1904–5	5,093,466
„ „ 1905–6	4,109,939
„ „ 1906–7	4,095,173
„ „ 1907–8 (Revised Estimate) ...	3,066,500
„ „ 1908–9 (Budget)	3,129,900

The decreases in 1903–4, 1905–6, and 1907–8 are due to successive reductions in the rate of duty, which has been lowered during this period from 2½ rupees (3*s.* 4*d.*) to one rupee (1*s.* 4*d.*) per maund of 82$\frac{2}{7}$ lb. These reductions have been followed by a marked increase of consumption. The following figures show the consumption of salt in India, including Burma :—

1902–3	36,663,000 maunds of 82$\frac{2}{7}$ lb.
1903–4	37,603,000 „ „
1904–5	39,132,000 „ „
1905–6	40,729,000 „ „
1906–7	43,086,000 „ „
1907–8 (Revised Estimate) ...	44,289,000 „ „
1908–9 (Budget)	47,192,000 „ „

Stamps.

	£
Accounts, 1906–7	3,985,706
Budget, 1907–8	4,121,600
Revised Estimate, 1907–8	4,188,700
Budget, 1908–9	4,315,400

About two-thirds of the revenue is derived from court fee stamps and the remainder from commercial and other stamps.

Excise.

	£
Accounts, 1906–7	5,835,462
Budget, 1907–8	6,154,600
Revised Estimate, 1907–8	6,131,600
Budget, 1908–9	6,326,400

The Excise Revenue has been steadily expanding since 1897–8, when the net receipts were only £3,609,400. In 1907–8 the increase was greatest in Madras (£156,000), due mainly to a higher revenue from country spirits, Bombay (£80,900), Bengal (£61,300), and Eastern Bengal and Assam (£48,500). There was a decline of £65,000 in the Central Provinces and of £27,100 in the United Provinces. An improvement in all provinces is anticipated in 1908–9.

Provincial Rates

	£
Accounts, 1905–6	2,792,257
Accounts, 1906–7	514,785
Budget, 1907–8	525,600
Revised Estimate, 1907–8	523,000
Budget, 1908–9	531,700

The great reduction in the receipts under this head is partly due to the abolition in April, 1906, of village service cesses, amounting to £547,900 a year, but mainly to the exclusion from the Government accounts, with effect from the same date, of the transactions of District Boards and certain other local bodies, the bulk of whose revenue is derived from these rates (*see* page 3).

Appendix I.

Notes on the main heads of Net Revenue and Expenditure.

Customs.

	£
Accounts, 1906–7	4,232,499
Budget, 1907–8	4,499,100
Revised Estimate, 1907–8	4,857,000
Budget, 1908–9	4,894,000

The gross receipts during the past three years, and the budget figures for the current year, are as follows :—

——	Accounts, 1905-6.	Accounts, 1906–7.	Budget, 1907–8.	Revised Estimate, 1907–8.	Budget, 1908–9.
Import duties :—	£	£	£	£	£
On Cotton Manufactures ...	886,000	860,900	900,000	1,003,300	1,000,000
On Liquors	649,300	566,000	668,000	666,700	700,000
On Silver Bullion and Coin ...	195,600	272,000	246,700	336,700	286,700
On other Metals and Manufactures of Metals.	205,200	230,100	233,300	296,700	286,700
On other Manufactured Articles.	551,900	565,600	563,300	656,700	663,300
On Petroleum	244,300	251,800	246,700	303,300	306,700
On other Articles	667,900	709,800	760,900	800,600	820,200
Excise duty on Cotton Goods ...	180,400	193,400	193,300	216,700	236,700
Export Duty on Rice	767,400	702,100	783,300	683,300	700,000
Total	4,348,000	4,351,700	4,595,500	4,964,000	5,000,300

The improvement in 1907–8 was remarkable. As will be seen from the table, it occurred chiefly in the receipts from cotton manufactures (£142,400), liquors (£100,700), manufactured articles (£91,100), metals and manufactures of metals other than silver (£66,600), silver (£64,700), and petroleum (£51,500). Statistics regarding imports will be found in Appendix V. (pages 32 to 35). The falling-off in the receipts from the export duty on rice is due to the famine, large quantities of rice which would ordinarily have been consigned abroad from Burma having been diverted to Indian ports.

Assessed Taxes.

	£
Accounts, 1906–7	1,416,327
Budget, 1907–8	1,425,100
Revised Estimate, 1907–8	1,474,700
Budget, 1908–9	1,513,800

The receipts shewn under this head are almost entirely derived from Income Tax. The tax is levied on non-agricultural incomes of Rs. 1,000 a year or more at the rate (approximately) of 2 per cent. on incomes from Rs. 1,000 to Rs. 2,000, and 2½ per cent. on incomes of Rs. 2,000 or more.

Registration.

	£
Accounts, 1906–7	378,891
Budget, 1907–8	390,200
Revised Estimate, 1907–8	410,600
Budget, 1908–9	428,800

The receipts are principally derived from fees for registering documents.

Post Office.

——	Accounts, 1906–7.	Budget, 1907–8.	Revised Estimate, 1907–8.	Budget, 1908–9.
	£	£	£	£
Receipts	1,751,146	1,795,700	1,833,500	1,912,100
Charges	1,602,933	1,689,800	1,717,100	1,815,600
Net revenue	148,213	105,900	116,400	96,500

The postal rates for both inland and foreign letters and for parcels were reduced from the 1st October, 1907, at an estimated cost of £200,000 a year. The reduction of rates has, however, been followed by an increase in the volume of business, and the diminution in the net revenue has been less than was anticipated.

Telegraph.

	Accounts, 1906–7.	Budget, 1907–8.	Revised Estimate, 1907–8.	Budget, 1908–9.
	£	£	£	£
Receipts	953,006	991,900	1,004,100	1,037,900
Charges	1,126,205	1,080,100	1,090,500	1,094,600
Net charge	*173,199*	*88,200*	*86,400*	*56,700*

The figures given represent the combined results of the working of the Indian Telegraph Department and the Indo-European Telegraph Department.

The charges include the following amounts for capital outlay, mainly on account of the Indian Telegraph Department:—1906–7, £377,073; 1907–8 (Revised Estimate), £278,200; 1908–9 (Budget), £273,000.

Railways.

	Accounts, 1906–7.	Budget, 1907–8.	Revised Estimate, 1907–8.	Budget, 1908–9.
State Railways:—	£	£	£	£
Gross Receipts	25,781,078	26,749,500	27,427,500	29,072,900
Working Expenses ...	*12,855,945*	*13,164,100*	*14,357,400*	*14,959,700*
Net Traffic Receipts ...	12,925,133	13,585,400	13,070,100	14,113,200
Surplus Profits paid to Companies, &c.	*396,300*	*400,900*	*424,700*	*436,000*
Interest charges—				
Interest on capital spent or advanced by the State	*5,548,410*	*6,264,900*	*5,814,500*	*6,080,100*
Interest on capital deposited by Companies.	*1,409,022*	*1,510,500*	*1,464,800*	*1,693,700*
Annuities in purchase of Railways.	*2,869,366*	*2,869,400*	*2,869,400*	*3,268,200*
Sinking Funds ...	*148,896*	*153,900*	*154,100*	*159,600*
Total	*10,371,994*	*11,199,600*	*10,727,500*	*11,637,600*
Net Receipts	2,553,139	2,385,800	2,342,600	2,475,600
Guaranteed Railways:—				
Net charge to the State	*227,652*	*208,300*	*374,800*	—
Miscellaneous charges (net)	*17,814*	*36,100*	*39,700*	*69,100*
Net Receipts from all Railways.	2,307,673	2,141,400	1,928,100	2,406,500

General.—As mentioned on page 3, the distribution of the charges for interest on the debt of the Government of India has been altered, with the effect of diminishing the interest payments charged to the Railway Revenue Account. But for this change the net revenue derived from the working of the railways, as shewn in the Accounts for 1906-7, the Revised Estimate for 1907–8, and the Budget for 1908–9, would have been less by about £500,000 in each case. The Budget for 1907–8, on the other hand, was framed before the new system of distribution was introduced (and also before the Accounts for 1906–7 were rendered).

Appendix I.

Notes on the main heads of Net Revenue and Expenditure.

Before 1899–1900 the Railway Revenue Account always shewed a net charge. The figures from that year onwards are as follows :—

		£
1899–1900	Net receipt	76,756
1900–1	„	325,124
1901–2	„	846,616
1902–3	„	228,949
1903–4	„	860,669
1904–5	„	2,105,438
1905–6	„	2,001,966
1906–7	„	2,307,673
1907–8 (Revised Estimate)	„	1,928,100
1908–9 (Budget) ...	„	2,406,500

State Railways.—The profit derived by the State from the railways arises from the State lines, under which head are included not only the lines worked by the State (of which the most important are the North-Western, Eastern Bengal, and Oudh and Rohilkhand systems), but also lines which, while classified as State railways, are worked by companies, and have in most cases been constructed by companies. Among the most important of the lines included in the latter class are the East Indian, Great Indian Peninsula, Bengal-Nagpur, Bombay Baroda and Central India, Indian Midland, Rajputana-Malwa, Southern Mahratta, South Indian, Madras (purchased by the Secretary of State on the 31st December, 1907), Assam-Bengal, and Burma Railways. For some years the gross receipts of the State lines have been growing rapidly. Excluding, for the purpose of comparison, the receipts of the Bombay, Baroda and Central India Railway, which was purchased on the 31st December, 1905, and of the Madras Railway, the gross receipts for 5 years are as follows :— 1904–5, £22,900,000 ; 1905–6, £23,315,000 ; 1906–7, £24,483,000 ; 1907–8, (Revised Estimate), £25,815,000 ; 1908–9 (Budget), £26,486,000.

Including the receipts of the Bombay, Baroda and Central India Railway, and of the Madras Railway, the figures are :—

1904–5.	1905–6.	1906–7.	Revised Estimate, 1907–8.	Budget Estimate, 1908–9.
£	£	£	£	£
25,055,000	25,505,000	26,835,000	28,241,000	29,073,000

The result of the working of the State Railways in 1907–8 was less favourable than was expected, the expansion of receipts being more than counterbalanced by the increase of expenditure. This was largely due to heavy expenditure on renewals and repairs, chiefly on the East Indian, Great Indian Peninsula, Rajputana-Malwa, Oudh and Rohilkhand, and Eastern Bengal Railways. A steady cause of increased working expenses is the pressing demand for more rapid transport facilities and more conveniences to the travelling public. The great rise in the price of coal has also seriously affected railway expenditure, and the increase in the cost of living in India, for Europeans as well as for Indians, has necessitated a considerable enhancement of the rates of pay of the working staff. As compared with 1906–7, the following are the chief variations, apart from those due to the inclusion of the figures of the Madras Railway for the last quarter of 1907–8 :—*Gross receipts* : Increases—North-Western Railway, £492,700 ; East Indian, £176,300 ; South Indian, £138,900 ; Great Indian Peninsula, £103,200 ; Oudh and Rohilkhand, £102,900. *Working expenses* : Increases — North-Western, £300,600 ; Great Indian Peninsula, £236,900 ; Oudh and Rohilkhand, £149,200 ; Eastern Bengal, £140,100 ; East Indian, £94,900 ; Bengal-Nagpur, £94,000.

The Budget Estimate for 1908–9 anticipates an improvement of £1,023,100 in the net traffic receipts. The gross receipts are expected to be higher by £1,600,800, while the increase in the working expenses is estimated at only

Appendix I.

Notes on the main heads of Net Revenue and Expenditure.

£577,700. Of the net improvement, £238,700 is due to the inclusion in the State Railway figures of the receipts of the Madras line (formerly a Guaranteed railway) for the whole twelve months (only three months' receipts having been included in the State Railway figures in 1907–8), but, apart from this exceptional addition, which is accompanied by an increase in Annuity payments, almost all lines show an improved return, the chief increases being as follows :— Eastern Bengal Railway, £153,300 ; Bengal-Nagpur, £126,700 ; Rajputana-Malwa system, £113,300 ; Great Indian Peninsula, £104,000.

The Annuities shewn among the charges of the State Railways were created for the purchase by the State of the East Indian, Eastern Bengal, Scinde Punjab and Delhi, Great Indian Peninsula, and Madras Railways. The payments include the following amounts in redemption of capital, viz. :— 1906–7, £752,137 ; 1907–8, £777,598 ; 1908–9, £865,745.

Guaranteed Railways.—An important feature of the railway estimates for 1908–9 is the disappearance of the sub-head "Guaranteed Companies," owing to the purchase by the Secretary of State on the 31st December, 1907, of the last of the lines owned by the companies in question, viz., the Madras Railway. The purchase price, as calculated in accordance with the provisions of the contracts between the Government and the Company was £12,819,558, and purchase was effected by means of an annuity of £553,398 for 48¼ years, running from 1st January, 1908. In consequence of the purchase of this line a re-arrangement has been effected of the railway systems of Southern India. The system hitherto worked by the Southern Mahratta Railway Company has been enlarged so as to embrace a portion of the purchased line together with the railway hitherto known as the "North-East Line, Madras Railway," and a section of the South Indian Railway system. The name of the company has been changed to "The Madras and Southern Mahratta Railway Company," and its capital is to be increased by £1,500,000, stock for this amount being issued to Madras Railway annuitants in exchange for £65,016 of annuity. An agreement has been reached for altering the proportion in which the net earnings of the line are divided between the Secretary of State and the Company.

Irrigation.

	Accounts, 1906–7.	Budget, 1907–8.	Revised Estimate, 1907–8.	Budget, 1908–9.
	£	£	£	£
MAJOR WORKS:				
Receipts	3,349,212	3,250,900	3,213,100	3,430,600
Working Expenses	*944,632*	*932,100*	*984,900*	*976,400*
Interest on Debt	*935,231*	*1,122,900*	*987,600*	*1,032,600*
Net Receipts	1,469,349	1,195,900	1,240,600	1,421,600
MINOR WORKS:				
Receipts	183,705	170,000	234,900	209,700
Expenditure	*856,898*	*965,700*	*860,900*	*908,800*
Net Expenditure ...	*673,193*	*795,700*	*626,000*	*699,100*
Net Receipts, Major and Minor Works.	796,156	400,200	614,600	722,500

More than two-fifths of the revenue under this head is obtained in the Punjab.

In 1906–7 the agricultural conditions were favourable for an extension of irrigation, especially in the United Provinces and the Punjab, and the net revenue for the year was the highest on record. In 1907–8 the partial failure of the wheat crop necessitated large remissions on the Lower Chenab and Lower Jhelum canals in the Punjab. In the Budget for 1908–9 no provision is made for such loss, and it is also assumed that there will be a development of irrigation on the latter canal.

The alteration in the distribution of the charges for interest on the debt of the Government of India (*see* pages 3 and 19) has had the effect of reducing

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Notes on the main heads of Net Revenue and Expenditure.

the portion of those charges which is debited to the head of irrigation by about £140,000 a year. This will be seen on a comparison of the figure given in the Budget Estimate for 1907-8 with that shewn in the Revised Estimate, the former having been computed before the new system was introduced.

A special grant of £33,300 has been made by the Government of India for expenditure on Minor Works in 1908-9.

Mint.

	Accounts, 1906-7.	Budget, 1907-8.	Revised Estimate, 1907-8.	Budget, 1908-9.
	£	£	£	£
Receipts	419,498	245,300	438,000	272,100
Charges	166,898	150,800	165,500	147,700
Net Receipts ...	252,600	94,500	272,500	124,400

The Mints are credited with a seigniorage of 2 per cent. on fresh issues of rupees, to cover the cost of coinage. In 1906-7 the coinage was exceptionally heavy, and the Mint receipts were accordingly high. The output continued to be heavy during the earlier months of 1907-8, but the conditions of trade in the latter half of the year brought about a marked slackening, and finally a cessation, of the demand for rupees, and the total coinage was considerably less than in the previous year. On the other hand, famine brought an extraordinary demand for bronze coinage in 1907-8, and there was also an unexpectedly heavy demand for the new nickel one-anna piece, which was coined for the first time during this year.

The Budget for 1908-9 is based on the assumption that the rupee coinage will be very much less than it was in the past year, that the great demand for bronze will cease with the return of favourable agricultural conditions, and that the new nickel coin will be in moderate request.

Including the re-coinage of withdrawn issues, the coinage of rupees during the last three years has been as follows:—

	Rs.	£
1905-6	195,987,621	(13,065,841)
1906-7	253,703,283	(16,913,552)
1907-8	173,070,146	(11,538,010)

As mentioned on page 9 above, the whole of the net profit on the coinage of rupees up to 31st March, 1907, was transferred to the Gold Standard Reserve, but it has since been decided to use for capital expenditure on railways half the profit accruing from 1st April, 1907.

The cost of the silver bought for coinage into rupees and its coined value are not included in the "Mint" expenditure and receipts, as shewn in the Revenue and Expenditure Accounts of the Government of India, but are recorded outside those accounts under appropriate deposit heads.

Exchange.

	£
Accounts, 1906-7	190,022
Budget, 1907-8	133,300
Revised Estimate, 1907-8	60,000
Budget, 1908-9	Nil.

The average rate obtained for bills and telegraphic transfers sold by the Secretary of State for India was 16·084 pence per rupee in 1906-7 and 16·029 pence in 1907-8. Of the small net receipt in 1907-8 £40,100 represents gain in connection with the transactions of the late Madras Railway Company.

No revenue is expected under this head in 1908-9.

Appendix I.

Notes on the main heads of Net Revenue and Expenditure.

NET EXPENDITURE.

Debt Services.

	Accounts, 1906–7.	Budget, 1907–8.	Revised Estimate, 1907–8.	Budget, 1908–9.
	£	£	£	£
Total payments for Interest on Debt ...	7,903,353	7,950,700	8,099,800	8,333,700
Deduct amount chargeable to Railways (*included under Railways, page 15*).	*5,548,410*	*6,264,900*	*5,814,500*	*6,080,100*
Deduct amount chargeable to Irrigation (*included under Irrigation, page 17*).	*935,231*	*1,122,900*	*987,600*	*1,032,600*
Interest on Ordinary Debt	1,419,712	562,900	1,297,700	1,221,000
Interest on other Obligations...	496,172	501,500	501,600	513,800
Total	1,915,884	1,064,400	1,799,300	1,734,800
Interest Receipts	*972,193*	*951,000*	*980,800*	*1,014,600*
Net Interest Payments other than those chargeable to Railways and Irrigation.	943,691	113,400	818,500	720,200

The total debt is classified in the Accounts as (1) Public Works Debt and (2) Ordinary Debt. The amount entered as belonging to the former category is the equivalent of the total capital expenditure which has been incurred by the State on Public Works, together with the amount advanced to Railway Companies for capital expenditure, and the interest on this portion of the debt is charged under Railways and Irrigation (*see* pages 15 and 17 above); the "Ordinary Debt" consists of the remainder of the debt. In any year in which, owing to the use of surplus revenue or deposits for the construction of Public Works, the capital expenditure of the year exceeds the amount of debt incurred in the year, the effect of this system of classification is to cause a decrease to be shown in the amount of the Ordinary Debt and of the interest thereon.

Since the Budget for 1907–8 was framed, the distribution of the charges for interest between the two portions of the debt has been altered. Hitherto the practice has been to charge to the Railway Revenue Account the actual interest paid on debt specifically created for the purchase of railway lines or the redemption of liabilities, or to provide funds for advances to companies; but to use a fixed all-round rate for calculating the amount of interest to be charged, under Railway Revenue Account and Irrigation, on all other capital expenditure on Public Works. The rate used for this purpose was revised in 1901, but it was found in 1907 to be in excess of the average rate of interest now paid on the non-specific debt, with the result of unduly increasing the portion of the interest charges debited to the Railway and Irrigation Accounts, and of unduly diminishing the remaining portion, which is treated as interest on Ordinary Debt. It has now been decided to divide the interest charges on the non-specific debt, which is more than four-fifths of the whole, in the same proportions as the debt itself is divided. A change has also been made, with the object of securing greater accuracy, in the distribution of the capital of the total debt between "Ordinary Debt" and "Public Works Debt." The net effect of these various changes, which have been carried out in the Accounts for 1906–7, the Revised Estimate for 1907–8, and the Budget for 1908–9, has been to diminish by about £600,000 the portion of the interest payments charged to the Railways and Irrigation Accounts and to increase by the same amount the portion charged to the head "Debt Services." This will be seen on comparing the figures of the Budget Estimate for 1907–8 in the table above, which were calculated under the former system, with those of the Revised Estimate for the same year, due allowance being made for the increase in the total debt.

The increase in 1908–9 (as compared with 1907–8) in the total payments, and in the portion chargeable to Railways, is mainly due to the fact that a full

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Notes on the main heads of Net Revenue and Expenditure.

year's interest has to be paid on the loan of £5,000,000 raised in January, 1908 (*see* page 6), whereas no payment on account of this loan was required in 1907–8. Provision has also been made in the Budget for the interest on the rupee loan which it is proposed to raise in India.

The most important of the "other obligations" referred to in the table on page 19 are the Savings Banks Balances and the Service Funds and other special funds held by the Government of India.

The amount of the debt and other obligations is shewn on page 8 above.

The receipts shewn in the table on page 19 include the interest received in India on loans granted by the Government to Native States, Municipalities, Port Trusts, Railway Companies, &c., and in England on the balances of the Secretary of State in Council. They also include the interest, in India and England, on the invested portion (now £8,000,000) of the Paper Currency Reserve.

Military Services.

I. Army.

Net Army Charges in India.

	Accounts, 1906–7.	Budget, 1907–8.	Revised Estimate, 1907–8.	Budget, 1908–9.
NET CHARGES IN INDIA.				
Effective Services :—	£	£	£	£
Army and Garrison and Administrative Staff.	565,818	575,000	562,100	577,500
Regimental Pay, Allowances and Charges.	6,901,315	7,167,500	6,900,500	7,173,800
Supply and Transport... ...	2,929,700	2,967,000	2,917,300	3,054,700
Medical Establishments, Supplies and Services.	551,369	564,100	538,300	539,400
Ordnance Establishments, Stores and Camp Equipage.	703,341	878,700	764,700	774,500
Miscellaneous Services ...	168,710	184,300	194,200	154,000
Other Effective Services ...	990,830	1,002,800	986,400	988,100
Total Effective Services ...	12,811,083	13,333,400	12,863,500	13,262,000
Non-effective Charges	582,447	586,400	583,000	608,000
Total, India	13,393,530.	13,919,800	13,446,500	13,870,000

Net Army Charges in England.

	Accounts, 1906–7.	Budget, 1907–8.	Revised Estimate, 1907–8.	Budget, 1908–9.
Effective Services :—				
Charges—	£	£	£	£
Payments to War Office for British Forces in India.	654,187	667,500	631,000	670,000
Furlough Allowances	457,774	429,000	482,900	461,000
Indian Troop Service and Passage of Officers.	367,133	362,500	339,500	339,100
Miscellaneous	694,962	42,400	111,200	47,000
Stores	1,573,031	794,000	658,700	613,000
Total	3,092,900	2,295,400	2,223,300	2,130,100

Net Army Charges in England—continued.

	Accounts, 1906–7.	Budget, 1907–8.	Revised Estimate, 1907–8.	Budget, 1908–9.
Effective Services—*continued.*				
Receipts—				
Contribution of Imperial Government towards Transport Charges.	130,000	130,000	130,000	130,000
Contribution of Imperial Government towards Military Charges for Aden.	100,000	100,000	100,000	100,000
Payment by Imperial Government (on capitation basis) for Indian Native Regiments serving in the Colonies.	95,000	90,000	82,000	86,600
Transfer and Sale of Stores, Recoveries, &c.	116,956	40,100	34,100	34,200
Total	441,956	360,100	346,100	350,800
Net Charge for Effective Services ...	2,650,944	1,935,300	1,877,200	1,779,300
Non-effective Charges (net) ...	2,395,802	2,432,000	2,422,700	2,442,000
Total, England	5,046,746	4,367,300	4,299,900	4,221,300
Grand Total	18,440,276	18,287,100	17,746,400	18,091,300

It will be seen from the table above that in the Revised Estimate for 1907–8 the net "Army" charges are lower by £693,876 than in the Accounts for 1906–7, while the amount provided in the Budget for 1908–9 is higher by £344,900 than that shewn in the Revised Estimate. The chief variations occur in the expenditure on measures for improving the efficiency of the Army, to which reference was made in the Financial Statement of the Government of India, published in March, 1905. The bulk of this expenditure is brought to account under the head "Army," the remainder being included under "Military Works," "Special Defences," and "Marine." The annual grant provided to meet this expenditure was reduced in the Budget for 1907–8 from £2,166,700 to £1,666,700, to which, however, was added £316,700 on account of lapses, making £1,983,400 in all. Owing partly to the postponement of certain measures for further consideration, the actual outlay was only £1,462,200. The grant for 1908–9 has been fixed at £1,666,700.

In the following table the figures relating to the head "Army" in the Estimates for 1907–8 and 1908–9 are analysed so as to shew separately the Ordinary Expenditure and the Special Expenditure, the latter division including the outlay on the measures originally included in the scheme for the improvement of the Army and on some other similar measures.

	Budget, 1907–8.	Revised Estimate, 1907–8.	Budget, 1908–9.
	£	£	£
Ordinary Expenditure :—			
India	13,556,400	13,345,600	13,442,700
England	4,635,600	4,590,400	4,533,300
Total	18,192,000	17,936,000	17,976,000
Special Expenditure :—			
India	1,037,100	732,000	930,700
England	121,800	86,600	65,800
Total	1,158,900	818,600	996,500
Total Expenditure	19,350,900	18,754,600	18,972,500
Deduct Receipts	*1,063,800*	*1,008,200*	*881,200*
Net Charges	18,287,100	17,746,400	18,091,300

Appendix I.

Notes on the main heads of Net Revenue and Expenditure.

In the ordinary expenditure the most important variations in 1908–9, as compared with the Revised Estimate for 1907–8, are the provision of an additional sum of £130,100 for food for the troops, owing to the rise in prices resulting from the prevailing scarcity, and a reduction of £116,700 in expenditure due to the fact that the British troops in India are now required to make their own arrangements for the purchase of malt liquor. This reduction of expenditure is accompanied by a corresponding reduction in the receipts.

After the Budget for 1908–9 was framed it became necessary to despatch a punitive expedition against the Mohmands. The cost of the expeditionary force, the operations of which have now been concluded, has not yet been reported, but it will probably be about £150,000.

Of the sum of £1,666,700 provided (under the heads "Army," "Military Works," "Special Defence Works," and "Marine") for special expenditure in 1908–9 about £666,700 is required to meet recurring expenditure on measures already brought into effect, and the provision for new expenditure is therefore about £1,000,000. The bulk of this sum will be required for work already in progress, but it includes some provision for new measures. Among the objects to which it is proposed to devote the portion chargeable to the head "Army" are the following:—*Measures already in progress*: Re-armament of Horse and Field Artillery; re-organization of Horse and Field Batteries and Ammunition Columns; addition of two batteries of Native Mountain Artillery; increase to the Native Army Reserve; provision of lines for native troops and purchase of land for this purpose. *New measures*: Addition of two further batteries of Native Mountain Artillery; increase in the reserve of rifles.

2.—Military Works.

	£
Accounts, 1906–7	1,076,516
Budget, 1907–8	1,210,300
Revised Estimate, 1907–8	1,077,500
Budget, 1908–9	1,142,500

The Budget includes a provision of £532,100 for Special Expenditure, chiefly on buildings, acquisition of land, and other outlay in connection with the redistribution of the Army.

3.—Special Defence Works.

	£
Accounts, 1906-7	138,358
Budget, 1907–8...	145,700
Revised Estimate, 1907–8	118,200
Budget, 1908–9...	109,400

This expenditure is for a scheme of special coast defences begun in 1903–4. The whole of the outlay is met from the grant for "Special" Military Expenditure.

4.—Marine.

	£
Accounts, 1906–7	515,210
Budget, 1907–8...	453,200
Revised Estimate, 1907–8	431,800
Budget, 1908–9...	394,500

The figures given represent the net expenditure on the Royal Indian Marine, the contribution towards the expenses of H.M. Ships in Indian Waters, and the retired pay of certain survivors of the old Indian Navy.

As mentioned above at page 3, these charges have hitherto been shewn under the head "Civil Departments—Marine."

The variations occur chiefly in the "Special" expenditure, the sums included on this account being as follows:—1906–7, £151,000; 1907–8 (Budget), £86,800; 1907–8 (Revised Estimate), £58,300; 1908–9, £28,700.

Collection of Revenue.

	Accounts, 1906–7.	Budget, 1907–8.	Revised Estimate, 1907–8.	Budget, 1908–9.
	£	£	£	£
Land Revenue	3,353,922	3,524,400	3,522,500	3,574,800
Forest	948,866	1,070,900	985,600	1,050,300
Salt (including cost of production).	364,489	370,700	364,300	340,500
Stamps	186,266	191,200	195,700	212,800
Excise	274,609	314,900	294,200	385,500
Provincial Rates	4,419	3,800	5,700	6,200
Customs	200,184	207,500	205,500	221,200
Assessed Taxes	23,828	24,300	24,300	25,500
Registration	199,431	209,100	210,700	218,500
Total ... £	5,556,014	5,916,800	5,808,500	6,035,300

The variations under Land Revenue occur mainly in connection with Survey and Settlement operations and with changes in Provincial and Village establishments. Extra allowances have been granted to these establishments in several Provinces as compensation for the dearness of grain.

The charges for Forest conservancy, &c., increase with the work of the Department and the growth of the gross revenue.

Civil Departments.

	£
Accounts, 1906–7	11,545,529
Budget, 1907–8	11,955,900
Revised Estimate, 1907–8	11,941,800
Budget, 1908–9	12,896,700

The following table shews the charges for the several departments :—

	Accounts, 1906–7.	Budget, 1907–8.	Revised Estimate, 1907–8.	Budget, 1908–9.
	£	£	£	£
General Administration . .	1,524,835	1,581,300	1,622,400	1,674,400
Law Courts and Jails ...	2,860,459	2,818,200	2,929,600	2,934,400
Police	3,384,395	3,645,800	3,629,500	3,940,600
Ports and Pilotage ...	17,048	37,500	48,700	57,500
Education	1,207,594	1,311,100	1,302,800	1,470,900
Ecclesiastical	125,906	131,900	125,100	129,400
Medical	760,742	788,500	787,200	1,063,500
Political	1,060,033	934,600	814,900	885,600
Scientific and Minor Departments.	604,517	707,000	681,600	740,400
Total	11,545,529	11,955,900	11,941,800	12,896,700

In April, 1905, the Government of India made permanent annual grants to the Provincial Governments of £333,000 a year for Police Reform, £233,000 for Education, and £133,000 for the development of agricultural research and

Appendix I.

Notes on the main heads of Net Revenue and Expenditure.

instruction, and in 1906–7 these grants were increased to £500,000, £266,700, and £160,000 a year, respectively. The grant for Police reform was still further raised to £703,000 in the Budget for 1907–8. A portion of these grants has been devoted to the construction of buildings, of which the cost is entered under "Civil Works," and it has not yet been possible to utilise fully the remaining portion owing to delay in the initiation of some of the measures contemplated.

Of the increase of £311,100 under Police in 1908–9, £80,000 is due to a further grant by the Government of India, and the remainder to the progress made by the various provinces in the development of their schemes for the reorganization of the police force.

Under Medical the Budget Estimate for 1908–9 includes provision for a special grant of £200,000 by the Government of India for expenditure on sanitation (*see* page 5). Provision is also made for plague expenditure in the Punjab and Bombay, for improvements in the lighting and equipment of hospitals, and for grants-in-aid of the expenditure of local bodies which have hitherto been brought to account under the head "Provincial Adjustments" as contributions from Provincial to Local Expenditure. Owing to the exclusion of the "Local" figures from the accounts of the Government of India (*see* page 3), such grants-in-aid will henceforth be entered as Provincial expenditure under the appropriate heads.

The additional expenditure on Education in 1908–9 occurs chiefly in the United Provinces, where it is proposed to take over all English schools from District Boards and simultaneously to give large grants to these bodies for primary education; but in other provinces also the similar grants which formerly appeared as "contributions from Provincial to Local revenues" have now been brought to account under this head.

As mentioned on page 3, the Marine charges connected with the military and naval defence of India have been transferred to the head "Military Services" (*see* page 22), the remaining Marine charges being shown as hitherto under "Civil Departments," but under the new sub-head "Ports and Pilotage."

Miscellaneous Civil Charges.

	£
Accounts, 1906–7	3,756,653
Budget, 1907–8	4,089,000
Revised Estimate, 1907–8	4,233,800
Budget, 1908–9	4,095,700

The expenditure under this head includes Territorial and Political Pensions, Civil Furlough and Absentee Allowances, Civil Superannuation Allowances and Pensions, Stationery and Printing, and other miscellaneous charges. The most important figures are those relating to Superannuation Allowances and Pensions, the net charge for which is as follows:—

——	India.	England.	Total.
	£	£	£
1906–7	817,337	1,938,535	2,755,872
1907–8 (Revised Estimate) ...	832,300	1,954,800	2,787,100
1908–9 (Budget)	888,900	1,974,900	2,863,800

Famine Relief and Insurance.

——	Accounts, 1906–7.	Budget, 1907–8.	Revised Estimate, 1907–8.	Budget, 1908–9.
	£	£	£	£
Direct Famine Relief	317,458	60,100	516,000	880,500
Protective Railways...	3,442	2,300	8,500	700
Protective Irrigation Works ...	356,460	466,700	407,500	400,000
Reduction or avoidance of Debt ...	332,383	470,700	250,000	250,000
Total	1,009,743	999,800	1,182,000	1,531,200

A sum of not less than £1,000,000 is annually appropriated for the purposes of Famine Relief and Insurance. When the outlay on direct famine relief is less than the sum appropriated, the balance is used (1) for the construction or maintenance of protective railways and irrigation works, and (2) for the construction of ordinary public works, which would otherwise require additional borrowing. The amount used for the last mentioned purpose is shown under the head of " Reduction or Avoidance of Debt."

Up to the 1st April, 1907, the expenditure on direct Famine Relief was borne by the province or provinces visited by famine. A new system was introduced from that date, under which such expenditure is now borne partly, if not entirely, by Imperial Revenues. The scheme enables each Local Government whose Province is liable to famine to build up gradually a fund, to be held to its credit by the Imperial Government, on which it is at liberty to draw when expenditure on famine relief becomes necessary. For this purpose the Local Governments in question are now annually credited with a fixed sum, determined with reference to, but not in exact proportion to, the average expenditure incurred by them on famine relief during the past 25 years. The amounts annually credited are as follows :—Madras, £16,700 ; Bombay, £91,300 ; Bengal, £17,300 ; United Provinces, £30,000 ; Punjab, £9,300 ; Central Provinces, £85,300. When famine occurs, the Local Government is entitled to draw upon the amount standing to its credit to meet its famine expenditure, and charges thus incurred are shewn in the accounts of the Government of India as Imperial expenditure. In the event of the amount at credit being exhausted owing to widespread or severe famine, any further expenditure on famine relief is shared between the Government of India and the Local Government, either equally or in such proportions as may be determined when the circumstances arise. In addition to making these arrangements for the future the Government of India allotted special grants to the United Provinces and Bombay of £189,000 and £82,100 respectively to cover the expenditure on famine which the Governments of these Provinces incurred in 1905–6 and 1906–7.

In accordance with the arrangements just described, the expenditure on direct Famine Relief in 1907–8 and 1908–9 has been shared as follows :—

	1907-8 (Revised Estimate).		1908-9 (Budget).	
	Government of India.	Local Government.	Government of India.	Local Government.
	£	£	£	£
United Provinces	300,000	150,000	333,300	333,300
Bengal	40,800	—	56,300	10,400
Central Provinces	16,700	—	66,700	—
Other Provinces	8,400	100	80,500	—
Total	365,900	150,100	536,800	343,700

In addition to the expenditure on direct relief which is brought to account under the head " Famine Relief and Insurance," heavy loss or expenditure is usually sustained in affording indirect relief, chiefly, though not exclusively, in the form of suspensions or remissions of land revenue. Nearly £1,480,000 of land revenue was suspended in 1907–8, and about £900,000 will, it is estimated, be suspended in 1908–9. Of this sum a large proportion will necessarily be remitted, but it is too early to frame any definite estimate of the amount.

The total loss of revenue and increase of expenditure under all heads attributable to the famine in 1907–8 and 1908–9 has been roughly estimated at about £3,000,000 and £3,500,000 respectively.

Of the total outlay on Protective Irrigation Works in 1908–9 £153,900 is expected to occur in the United Provinces, £93,700 in Bombay, and £93,300 in the Central Provinces.

Appendix I.

Notes on the main heads of Net Revenue and Expenditure.

Civil Works.

	£
Accounts, 1906–7	4,071,689
Budget, 1907–8	4,319,800
Revised Estimate, 1907–8	4,425,000
Budget, 1908–9	4,209,300

A portion of the permanent grants made to the Provincial Governments for expenditure on Police Reform, Education, and Agricultural development and research (*see* above under "Civil Departments," pages 23 and 24) has been devoted to the construction of buildings, and the money so spent goes to increase the charges under this head.

The reduction of expenditure in 1908–9 is due to the restriction of public works expenditure in Burma and Bengal in view of the comparatively low Provincial balance, to the adoption of a smaller programme in the Punjab, where Provincial revenues have suffered by reason of the prevailing distress, and to the absence of special expenditure which was undertaken in 1907–8 in Bombay.

The exclusion of "Local" figures from the accounts of the Government of India (*see* page 3) has caused a reduction of about £1,000,000 a year in the net expenditure shown under this head.

Provincial Adjustments.

	Provincial Surpluses (which are added to the Provincial Balances and charged against the Revenue of the Year).	Provincial Deficits (*i.e.*, Contributions from Provincial Balances in reduction of the amount to be charged against the Revenue of the Year).
	£	£
Accounts, 1906–7	312,242	—
Budget, 1907–8	—	517,900
Revised Estimate, 1907–8	—	1,027,000
Budget, 1908–9	—	525,100

In the Budget for 1907–8 it was anticipated that the share of the revenue of the year to be credited to the Provincial Governments in accordance with the system of financial decentralisation in force in India, would amount (including certain special grants made by the Government of India at the beginning of the year) to £21,962,300, and that the share of the expenditure of the year chargeable to the Provincial Governments would be £22,480,200, of which £517,900, being the excess of Provincial expenditure over Provincial revenue, would be met from the balances of the Provincial Governments, instead of being charged against the revenue of the year.

The revenue actually credited to the Provincial Governments during the year amounted to £21,721,800, the decrease being chiefly due to the falling off in the receipts from Land Revenue, while the Provincial share of expenditure rose to £22,748,800, mainly in consequence of increased expenditure on Famine Relief and Civil Works. Thus the contribution from Provincial Balances towards the expenditure of the year was £1,027,000 instead of £517,900 as estimated in the Budget.

In 1908–9 it is assumed that the Provincial Balances will make a net contribution of £525,100 towards the expenditure of the year. In the calculations on which this assumption is based, account is taken of the special grants to Provincial revenues of £200,000 and £80,000 for sanitation and police reform mentioned on page 5, and of certain modifications in the settlements with the United Provinces and Madras.

APPENDIX II.

Home Charges.

The following is an analysis of the Net Expenditure in England charged on the Revenue of the year :—

Net Expenditure.	Accounts, 1906-7.	Revised Estimate, 1907-8.	Budget, 1908-9.
	£	£	£
Interest and Management of Debt (excluding Interest charged in Railway Revenue and Irrigation Accounts)	1,539,378	1,634,900	1,701,400
Railway Revenue Account	7,969,535	8,074,500	8,239,700
Irrigation: Interest on Debt	106,798	109,600	111,400
Civil Administration: Payments on account of Departments in India, passage, outfit, &c. ..	43,377	63,100	54,770
Postal Subsidy	61,226	60,100	54,600
Telegraph: Red Sea Company's Annuity	18,027	18,000	9,000
„ Indo-European	38,570	18,100	28,700
„ Joint Purse Guarantee	4,339	3,500	2,000
Public Works: Civil Engineering College	*– 9,153*	200	—
„ Other Charges	2,783	2,700	4,100
Indian Civil Service: Allowances to Candidates, Examinations, &c. ..	9,593	16,300	14,130
Lunatics: Maintenance	1,652	1,600	1,600
Political Charges: Persian Mission and Minor Consulates	*– 6,212*	*– 8,200*	*– 10,125*
„ Pensions: Territorial and Political	10,460	23,000	10,500
„ Other Charges	2,727	2,500	3,500
India Office: Salaries of Establishment	136,229	138,700	141,900
„ Auditor's Department	6,734	6,600	6,900
„ Store Department	25,204	23,800	23,800
„ India Store Depôt—additions to building	—	12,000	12,000
„ Stationery, Postage, Telegrams, and other Charges	21,145	27,000	25,125
Army, and Marine, Effective: Home Charges of British Forces serving in India (including receipt on account of Aden)	570,129	540,300	536,000
„ „ Troop Service and Transport (including receipt from War Office)	151,532	200,400	199,600
„ „ Receipt on account of Indian Native Regiments lent for service in the Colonies	*– 95,000*	*– 82,000*	*– 86,600*
„ „ His Majesty's ships in Indian Seas	100,066	100,100	100,100
„ „ Other Charges	42,422	111,800	48,200
Stores: Civil and Public Works	347,677	414,500	436,300
„ Telegraph	241,470	180,000	150,000
„ Marine	254,047	134,100	94,200
„ Army	1,542,466	635,500	589,600
„ Military Works	58,922	67,500	36,100
„ Special Defences (1902)	44,271	22,500	79,100
„ Miscellaneous Charges	*– 4,830*	14,400	5,000
Furlough: Civil	243,015	339,000	337,500
„ Army and Marine	452,014	482,600	454,000
„ Telegraph and Public Works	48,985	61,200	56,500
Non-Effective Charges (including India Office pensions): Civil	1,404,817	1,372,100	1,393,800
Army and Marine	2,949,498	3,027,400	3,044,100
Total	18,333,943	17,849,400	17,988,500

The Expenditure in England not charged on the Revenues of the year is as follows :—

Expenditure.	Accounts, 1906-7.	Revised Estimate, 1907-8.	Budget 1908-9.
	£	£	£
Capital outlay on construction of State Railways	2,551,691	2,264,800	3,065,000
„ „ on Irrigation Works	79,368	85,000	28,100
Total	2,631,059	2,349,800	3,093,100

Appendix III.

Railways.

APPENDIX III.

Railways: Mileage and Traffic.

Length of railways open in India on 31st March, 1906		28,619·48 miles.
Length of railways open in India on 31st March, 1907		29,303·37 „
Additional mileage opened in 1907–1908:—		
Nagda-Muttra	140·54 miles	
Burma Extensions	134·77 „	
Tirhoot	118·30 „	
Shahdara-Saharanpur	93·02 „	
Rohilkhand-Kumaon	84·12 „	
Purulia-Ranchi	72·28 „	
North-Western	59·24 „	
East Indian	58·64 „	
Bezwada-Masulipatam	49·38 „	
Jaipur	40·66 „	
Great Indian Peninsula... ...	37·50 „	
Bengal and North-Western ...	21·72 „	
Azikhal-Mangalore	20·91 „	
Dholpur-Bari	19·25 „	
Bengal-Nagpur	14·24 „	
Jubbulpore-Gondia	8·43 „	
Eastern Bengal	7·26 „	
Sangli	4·90 „	
Total		985·16 „
Length of railways open in India on 31st March, 1908		30,288·53 miles.

—	1905.	1906.	1907.
Number of passengers carried	248,157,000	271,063,000	307,585,000
Tons of goods carried	54,936,000	58,869,000	69,593,000

Railways: Capital Outlay and Net Traffic Receipts.

(The Capital at charge for each line on 31st March, 1907, is calculated by deducting from the total capital outlay up to 31st March, 1907, half the outlay in 1906–7.)

—	—	Capital at Charge, March 31st, 1907.	Net Receipts, 1906-1907.	Percentage of Net Receipts on Capital Outlay.
		£	£	
Guaranteed ...	Madras	12,613,291	384,993	3·05
State	Azikhal-Mangalore	776,094	2,053	·27
	East Indian	44,722,038	3,235,414	7·23
	Bellary-Rayadrug	51,789	376	·73
	Rajputana-Malwa	10,703,222	968,593	9·05
	Bhopal	217,907	11,917	5·47
	Palanpur-Deesa	15,907	1,233	7·75
	Bengal-Nagpur	19,805,071	959,919	4·85
	Warora Colliery	85,967	— *4,275*	—
	Burma	8,986,795	389,514	4·33
	Assam-Bengal	8,620,681	39,455	·46
	Jorhat	61,019	— *194*	—
	Eastern Bengal	12,981,366	732,290	5·64
	Hospet-Kottur	94,034	— *24*	—
	Kalka-Simla	930,544	18,896	2·03
	Bombay, Baroda and Central India ...	10,992,479	717,324	6·53
	Morappur-Dharmapuri	55,323	— *30*	—
	Tirhoot	4,413,098	267,720	6·07
	Oudh and Rohilkhand	13,426,281	459,575	3·42
	Agra Delhi Chord	842,524	54,358	6·45
	Indian Midland	8,781,386	367,691	4·19
	Tirrupattur-Krishnagiri	71,970	1	—
	Lucknow-Bareilly Section	827,711	55,258	6·68
	Hardwar-Dehra	180,416	11,519	6·38
	North Western	41,697,236	2,007,916	4·81
	South Indian	7,194,159	432,411	6·01
	North East Line, Madras Railway ...	4,373,093	148,108	3·39
	Nilgiri	248,174	2,407	·97
	Bezwada Extension	78,750	12,783	16·23
	Guntakal-Mysore Frontier	394,967	25,150	6·36
	Mysore	1,213,483	49,200	4·05
	Mayavaram-Mutupet	318,759	17,404	5·46
	Tinnevelly-Quilon (British Section)...	291,223	16,190	5·55
	Great Indian Peninsula	29,245,224	1,696,446	5·80
	Southern Mahratta	8,129,571	226,457	2·78
	Jodhpur - Hyderabad (British Section).	266,617	33,292	12·48
		253,708,169	13,341,338	5·26
Unopened lines, stores, &c.	... ...	6,595,346		
		260,303,514	13,341,338	5·13
Private Companies:— Government payments.	... ...	1,391,694		
		261,695,209		

Appendix IV.

Irrigation Works.

APPENDIX IV.

Major Irrigation Works: Capital Outlay and Net Earnings.

	Capital Outlay to end of 1906-1907.	Net Earnings (being gross receipts less working expenses).	Percentage of net Earnings on Capital Outlay.
	£	£	
Bengal :—			
Orissa Project	1,735,793	6,842	·39
Midnapore	553,685	—307	—·06
Sone	1,720,959	66,062	3·45
United Provinces :—			
Ganges	2,051,890	276,228	13·46
Lower Ganges	2,309,958	148,946	6·45
Agra	684,276	52,497	7·67
Eastern Jumna	306,373	94,826	30·95
Betwa	388,062	10,371	2·67
Punjab and N.W. Frontier Province :—			
Western Jumna	1,102,326	138,265	12·54
Upper Bari-Doab	1,289,970	178,801	13·86
Sirhind	1,581,436	145,711	9·21
Lower Chenab	1,836,058	462,115	25·17
Lower Jhelam	1,007,043	58,755	5·83
Lower Swat River	270,846	29,927	11·05
Upper Chenab	379,453	—	—
Madras :—			
Godavari Delta	808,529	185,355	22·92
Kistna Delta	962,958	164,610	17·09
Pennér Anicut	367,150	28,623	7·79
Kurnool-Kuddapah	1,461,818	9,146	·63
Periyar Project	642,023	28,380	4·42
Rushikulya Project	309,903	2,157	·69
Bombay:—			
E. Nara Works	429,568	40,423	9·41
Mutha	462,050	15,157	3·28
Jamrao	526,802	26,797	5·09
Nira	358,800	9,706	2·74
Burma :—			
Mandalay	334,179	13,603	4·07
Shwebo	301,359	4,455	1·48
Other Works	3,581,594	207,129	5·78
Total	27,764,861	2,404,580	8·66

APPENDIX V.

Trade Tables.

Sea-borne Trade :—

I.—General Summary.

II.—Imports and Exports of Merchandise : Summary distinguishing Government transactions from transactions on Private Account.

III.—Movements of Treasure.

IV.—Analysis of Imports of Merchandise, shewing the principal articles separately.

V.—Analysis of Exports of Merchandise, shewing the principal articles separately.

I.—*Summary of Sea-borne Trade (Private and Government transactions combined).*

	1905-6.	1906-7.	1907-8.
Imports :—	£	£	£
Merchandise	74,742,500	78,161,500	90,994,000
Treasure	21,100,700	29,719,900	28,181,700
Total	95,843,200	107,881,400	119,175,700
Exports :—			
Merchandise :—			
Indian Produce	105,513,000	115,439,700	115,634,500
Re-exports	2,377,400	2,343,000	2,552,700
Total	107,890,400	117,782,700	118,187,200
Treasure	10,313,300	3,812,200	3,632,300
Total	118,203,700	121,594,900	121,819,500
Total Imports and Exports	214,046,900	229,476,300	240,995,200
Net Exports...	22,360,500	13,713,500	2,643,800

Appendix V. — Trade Tables.

II.—*Sea-borne Trade—Imports and Exports of Merchandise: Summary distinguishing Government Transactions from Transactions on Private Account.*

	1905–6.	1906–7.	1907–8.
	£	£	£
Imports of Merchandise :—			
Private	68,722,700	72,205,100	86,565,900
Government	6,019,800	5,956,400	4,428,100
Total Imports	74,742,500	78,161,500	90,994,000
Exports of Merchandise :—			
Private	107,812,000	117,710,700	118,102,300
Government	78,400	72,000	84,900
Total Exports	107,890,400	117,782,700	118,187,200
Net Exports, Private	39,089,300	45,505,600	31,536,400
Net Imports, Government	5,941,400	5,884,400	4,343,200

III.—*Sea-borne Trade—Movements of Treasure.*

	1905–6.	1906–7.	1907–8.
	£	£	£
Gold :—			
Net Imports on Private Account	6,301,300	9,862,300	11,566,500
Net Imports on Government Account	*—5,996,000*	41,700	12,000
Total Net Imports	305,300	9,904,000	11,578,500
Silver :—			
Net Imports on Private Account	3,346,400	4,463,000	6,675,100
Net Imports on Government Account	7,135,700	11,540,700	6,295,800
Total Net Imports	10,482,100	16,003,700	12,970,900
Total Net Imports of Treasure	10,787,400	25,907,700	24,549,400

IV.—*Sea-borne Trade—Analysis of Imports of Merchandise, shewing the principal articles separately.*

	1905–6.	1906–7.	1907–8.
A. *On Private Account*—	£	£	£
1. Live Animals	329,400	310,400	294,000
2. Articles of Food and Drink :—			
Liquors	1,345,200	1,237,800	1,336,600
Provisions :—			
From United Kingdom...	609,600	651,500	709,700
From elsewhere	980,800	964,100	1,117,000
Total	1,590,400	1,615,600	1,826,700
Salt	438,100	445,200	535,100
Spices	733,700	959,500	1,041,100
Sugar (Refined) :—			
From United Kingdom...	189,700	107,600	19,300
From Mauritius	1,302,400	1,318,400	1,549,500
From Austria-Hungary and Germany ...	1,914,300	2,108,600	485,600
From Java	953,700	1,491,300	3,419,300
From elsewhere	455,000	186,400	92,400
Unrefined Sugar, Molasses, and Confectionery	367,900	613,100	585,300
Total	5,183,000	5,825,400	6,151,400
Other articles	433 ,600	393,300	532,200
Total value of articles of Food and Drink ...	9,724,000	10,476,800	11,423,100
3. Metals and Manufactures of Metals :—			
Hardware and Cutlery :—			
From United Kingdom	1,038,700	1,164,800	1,324,600
From Germany	208,500	282,700	388,300
From elsewhere	263,300	321,500	397,400
Total...	1,510,500	1,769,000	2,110,300

IV.—*Sea-borne Trade—Analysis of Imports of Merchandise, shewing the principal articles separately—cont.*

	1905-6.	1906-7.	1907-8.
A. *On Private Account—cont.*			
3. Metals and Manufactures of Metals—*cont.*	£	£	£
Machinery and Millwork :—			
From United Kingdom	3,141,600	3,692,500	4,122,900
From elsewhere	142,200	167,500	267,500
Total	3,283,800	3,860,000	4,390,400
Iron and Steel	4,429,300	5,045,500	6,499,300
Copper	956,500	928,800	1,375,600
Other Metals	642,700	719,100	917,600
Railway Plant (other than Government Stores)	1,081,700	2,772,200	4,803,500
Total value of Metals and Manufactures of Metals.	11,904,500	15,094,600	20,096,700
4. Chemicals, Drugs, Medicines, Narcotics, Dyeing and Tanning Materials.	1,981,800	2,072,400	2,392,400
5. Oils	1,629,700	1,845,300	2,437,400
6. Raw materials and unmanufactured articles :—			
Jewellery	894,100	622,500	463,800
Wood	556,200	539,500	546,700
Silk	474,600	378,700	654,300
Other articles	1,316,000	1,391,400	1,671,200
Total	3,240,900	2,932,100	3,336,000
7. Articles manufactured and partly manufactured :—			
Cotton—Twist and Yarn, Piece Goods, and Thread :—			
From United Kingdom	25,992,800	25,099,300	29,504,800
From elsewhere	1,097,200	988,500	1,176,300
Other sorts of Cotton	1,205,400	1,190,500	1,347,300
Total	28,295,400	27,278,300	32,028,400
Silk	1,267,700	1,216,700	1,423,200
Wool	1,616,800	1,368,100	1,845,100
Apparel (excluding hosiery and boots) :—			
From the United Kingdom	646,300	591,400	633,300
From elsewhere	602,900	623,000	835,000
Total	1,249,200	1,214,400	1,468,300

IV.—*Sea-borne Trade—Analysis of Imports of Merchandise, shewing the principal articles separately—cont.*

	1905–6.	1906–7.	1907–8.
A. *On Private Account—cont.*	£	£	£
7. Articles manufactured and partly manufactured—*cont.*			
Glass and Glassware	749,800	807,600	963,400
Instruments, apparatus, and appliances ...	608,600	799,100	908,800
Other articles	6,124,800	6,789,300	7,949,100
Total value of articles manufactured and partly manufactured.	39,912,300	39,473,500	46,586,400
Total value of Imports of Merchandise on Private Account.	68,722,700	72,205,100	86,565,900
B. *Government Stores*	6,019,800	5,956,400	4,428,100
Grand Total, Imports of Merchandise ...	74,742,500	78,161,500	90,994,000

V.—*Sea-borne Trade—Analysis of Exports of Merchandise, shewing the principal articles separately.*

	1905–6.	1906–7.	1907–8.
A. *Indian Merchandise exported on Private Account.*	£	£	£
1. Animals, living	128,900	150,900	143,900
2. Articles of Food and Drink :—			
Coffee	1,171,100	664,300	743,000
Rice	12,426,600	12,353,000	13,559,000
Wheat and Wheat-flour	6,115,100	5,226,800	6,097,000
Other grains and Pulse	1,141,700	857,100	1,349,400
Provisions	473,800	434,100	503,000
Spices	605,200	401,400	351,300
Tea	5,898,400	6,571,800	6,829,200
Other articles	384,900	315,800	351,200
Total, Articles of Food and Drink	28,216,800	26,824,300	29,783,100
3. Metals and Manufactures of Metals	388,400	650,300	737,700

Appendix V.

Trade Tables.

V.—*Sea-borne Trade—Analysis of Exports of Merchandise, shewing the principal articles separately—cont.*

	1905-6.	1906-7.	1907-8.
A. *Indian Merchandise exported on Private Account—cont.*	£	£	£
4. Chemicals, Drugs, Dyeing Materials, &c.:			
Opium :—			
To China	4,906,200	4,802,500	4,362,700
To other countries	1,408,300	1,402,800	1,418,900
Total	6,314,500	6,205,300	5,781,600
Indigo :—			
To the United Kingdom	100,200	110,700	126,900
To other countries	290,700	356,300	297,900
Total	390,900	467,000	424,800
Other articles	926,900	1,032,600	1,152,200
Total, Chemicals, Drugs, &c.	7,632,300	7,704,900	7,358,600
5. Oils	544,500	465,700	572,100
6. Raw Materials and Unmanufactured Articles :—			
Cotton :—			
To Japan	4,577,700	3,704,900	4,808,600
To Germany	2,462,600	3,147,600	3,639,600
To other countries	7,187,400	7,599,800	8,664,600
Total	14,227,700	14,652,300	17,112,800
Hides and Skins (Unprepared) :—			
To the United States	2,883,100	2,602,500	1,530,900
To Germany	1,443,200	1,722,900	1,292,900
To other countries	2,406,100	2,937,200	1,877,400
Total...	6,732,400	7,262,600	4,701,200
Jute :—			
To the United Kingdom	4,876,800	7,707,900	4,678,900
To Germany	2,153,100	3,937,900	2,558,100
To other countries	4,387,200	6,246,700	6,744,900
Total	11,417,100	17,892,500	11,981,900
Linseed :—			
To United Kingdom	818,600	774,600	1,115,800
To other countries	1,925,100	1,398,600	2,075,300
Total	2,743,700	2,173,200	3,191,100

V.—*Sea-borne Trade—Analysis of Exports of Merchandise, shewing the principal articles separately—cont.*

	1905-6.	1906-7.	1907-8.
A. *Indian Merchandise exported on Private Account—cont.*	£	£	£
6. Raw Materials and Unmanufactured Articles—*cont.*			
Other seeds	4,329,100	6,507,900	8,020,100
Fodder, Bran, and Cattle-food	787,700	626,600	984,800
Wool, raw	1,409,800	1,617,700	1,402,300
Other articles	3,116,100	3,622,100	3,403,200
Total, Raw Materials and Unmanufactured Articles.	44,763,600	54,354,900	50,797,400
7. Manufactured and partly manufactured articles :—			
Cotton twist and yarn :—			
To China	7,784,900	6,332,300	4,443,700
To other countries	473,600	598,700	1,538,300
Total	8,258,500	6,931,000	5,982,000
Other cotton	1,358,500	1,181,200	1,195,700
Total cotton	9,617,000	8,112,200	7,177,700
Jute :—			
Gunny bags and cloth :—			
To the United Kingdom	706,900	1,175,500	1,068,000
To the United States	2,627,400	3,918,300	4,430,900
To other countries	4,921,300	5,310,200	6,613,100
Other Jute manufactures	43,100	73,500	86,400
Total	8,298,700	10,477,500	12,198,400
Hides and Skins, dressed or tanned :—			
To the United Kingdom	2,104,500	2,539,500	2,223,100
To other countries	334,500	428,000	376,700
Total	2,439,000	2,967,500	2,599,800
Lac	2,068,100	2,247,400	2,584,700
Other articles	1,362,200	1,432,400	1,638,100
Total, manufactured and partly manufactured articles.	23,785,000	25,237,000	26,198,700
Total exports of Indian merchandise on Private Account.	105,459,500	115,388,000	115,591,500
B. *Government Stores, exports*	53,500	51,700	43,000
Total exports, Indian merchandise	105,513,000	115,439,700	115,634,500

V.—*Sea-borne Trade—Analysis of Exports of Merchandise, shewing the principal articles separately—cont.*

	1905–6.	1906–7.	1907–8.
	£	£	£
C. *Re-exports—On Private Account:—*			
Cotton, wool and apparel	1,209,700	1,186,400	1,334,600
Other articles	1,142,900	1,136,300	1,176,300
D. *Re-exports—Government Stores*	24,800	20,300	41,800
Total	2,377,400	2,343,000	2,552,700
Grand Total, Exports of Merchandise	107,890,400	117,782,700	118,187,200

VI.—*Sea-borne Trade—Analysis of Imports of Merchandise on Private Account, shewing separately the countries of origin.*

Countries.	1905–6.	1906–7.	1907–8.
	£	£	£
Europe :—			
United Kingdom	45,825,900	48,198,600	57,760,300
Belgium	2,984,000	2,903,600	3,537,700
Germany	2,915,000	3,860,600	3,445,600
Austria-Hungary	2,738,300	2,045,600	1,769,300
France	1,152,500	975,200	1,354,700
Italy	802,300	720,700	795,300
Other countries	855,700	879,800	1,464,400
Total	57,273,700	59,584,100	70,127,300
Africa and adjacent Islands :—			
Mauritius and dependencies including Seychelles ...	1,385,800	1,445,100	1,642,200
Egypt	229,000	104,800	201,400
British East Africa	179,500	141,000	209,700
Other countries	55,300	79,800	73,900
Total	1,849,600	1,770,700	2,127,200
America :—			
United States	1,495,000	1,698,000	2,158,200
Other countries	12,400	2,300	1,500
Total	1,507,400	1,700,300	2,159,700

VI.—*Sea-borne Trade—Analysis of Imports of Merchandise on Private Account, shewing separately the countries of origin—cont.*

Countries.	1905-6.	1906-7.	1907-8.
	£	£	£
Asia :—			
Borneo, Java, and Sumatra	1,415,800	2,214,600	4,101,800
Straits Settlements	1,701,200	1,845,700	2,089,600
China : Hong Kong	679,400	561,800	747,200
„ other ports (excluding Macao)	503,600	433,900	718,700
Japan	856,200	1,073,400	1,445,000
Ceylon	447,300	566,300	629,200
Arabia	630,100	380,900	370,400
Other countries	1,243,100	1,600,200	1,562,200
Total	7,476,700	8,676,800	11,664,100
Australasia	615,300	473,200	487,600
Grand Total	68,722,700	72,205,100	86,565,900

VII.—*Sea-borne Trade—Analysis of Exports of Indian Merchandise on Private Account, shewing separately the countries of origin.*

Countries.	1905-6.	1906-7.	1907-8.
	£	£	£
Europe :—			
United Kingdom	26,665,100	31,289,500	29,842,500
Germany	9,798,600	13,149,700	12,794,400
France	6,359,900	7,470,000	7,609,500
Belgium	4,333,600	4,798,500	5,967,100
Austria Hungary	3,194,200	4,012,300	3,867,900
Italy	3,126,400	3,803,600	3,691,300
Holland	1,186,600	1,201,800	1,060,700
Other Countries	1,746,500	1,956,200	1,995,600
Total	56,410,900	67,681,600	66,829,000
Africa and adjacent Islands :—			
*Egypt	1,061,300	1,316,800	3,217,400
Mauritius and dependencies including Seychelles...	753,000	832,700	735,000
Natal	361,600	358,400	446,600
British East Africa	327,700	368,900	411,500
Other Countries	809,100	726,500	756,000
Total	3,312,700	3,603,300	5,566,500

* The figures for exports to Egypt in 1907-8 include goods shipped to Egyptian ports "for orders" which, on later adjustment, will be shown as exports to the countries of their final destination.

Appendix V.

Trade Tables.

VII.—*Sea-borne Trade—Analysis of Exports of Indian Merchandise on Private Account, shewing the countries of origin—cont.*

Countries.	1905-6.	1906-7.	1907-8.
America :—	£	£	£
United States	8,672,100	10,415,700	9,012,100
South America	1,806,100	1,575,400	2,424,100
Canada	506,500	517,900	324,900
West Indies	411,500	341,200	325,700
Other Countries	12,900	11,400	17,200
Total	11,409,100	12,861,600	12,104,000
Asia :—			
Hong Kong	8,836,300	7,249,600	5,658,700
China (exclusive of Hong Kong and Macao) ...	5,374,100	5,318,500	4,330,000
Japan	6,618,000	4,730,000	5,892,600
Straits Settlement	4,199,800	4,352,700	4,550,000
Ceylon	3,690,100	4,254,400	4,165,000
Aden and Dependencies	838,600	746,400	651,500
Arabia	920,300	644,800	339,500
Borneo, Java and Sumatra	737,200	446,700	887,000
Other Countries	1,476,800	1,563,800	2,430,600
Total	32,691,200	29,306,900	28,904,900
Australasia	1,635,600	1,984,600	2,187,100
Grand Total	105,459,500	115,388,000	115,591,500

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